

STATE OF VERMONT  
PUBLIC SERVICE BOARD

DOCKET NUMBER 7970

PETITION OF VERMONT GAS SYSTEMS, INC.,  
REQUESTING A CERTIFICATE OF PUBLIC GOOD,  
PURSUANT TO 30 V.S.A. SECTION 248,  
AUTHORIZING THE CONSTRUCTION OF THE "ADDISON  
NATURAL GAS PROJECT" CONSISTING OF  
APPROXIMATELY 43 MILES OF NEW NATURAL GAS  
TRANSMISSION PIPELINE IN CHITTENDEN AND  
ADDISON COUNTIES, APPROXIMATELY 5 MILES OF  
NEW DISTRIBUTION MAINLINES IN ADDISON  
COUNTY, TOGETHER WITH THREE NEW GATE  
STATIONS IN WILLISTON, NEW HAVEN, AND  
MIDDLEBURY, VERMONT.

September 19, 2013  
1:30 p.m.

-----

100 State Street  
Montpelier, Vermont

Technical Hearing held before the Vermont Public  
Service Board, at the Montpelier Room, Capital Plaza  
Hotel, 100 State Street, Montpelier, Vermont, on September  
19, 2013, beginning at 1:30 p.m.

P R E S E N T

Board Members: James Volz, Chairman  
David C. Coen  
John D. Burke

Staff: George E. Young, Policy Director  
June E. Tierney, General Counsel  
Donald M. Kreis, Staff Attorney  
Jay E. Dudley, Utilities Analyst

CAPITOL COURT REPORTERS, INC.  
P.O. BOX 329  
BURLINGTON, VERMONT 05402-0329  
(802/800) 863-6067  
E-mail: [info@capitolcourtreporters.com](mailto:info@capitolcourtreporters.com)

A P P E A R A N C E S

TIMOTHY M DUGGAN, ESQUIRE

LOUISE PORTER, ESQUIRE

Appearing for the VT Department of Public Service  
112 State Street  
Montpelier, VT 05620-2601

DOWNS RACHLIN MARTIN, PLLC

Appearing for Vermont Gas Systems, Inc.  
199 Main Street, P.O. Box 190  
Burlington, VT 05402-0190

BY: KIMBERLY K. HAYDEN, ESQUIRE

JUDITH DILLON, ESQUIRE

Appearing for Vermont Agency of Natural Resources  
1 National Life Drive, Davis 2  
Montpelier, VT 05620-0501

ADAM LOUGEE, ESQUIRE, EXECUTIVE DIRECTOR

Appearing for Addison County Regional Planning  
Commission  
14 Seminary Street  
Middlebury VT 05753

SANDRA LEVINE, ESQUIRE

Appearing for Conservation Law Foundation  
15 East State Street, Suite 4  
Montpelier, VT 05602-3010

CHENEY, SAUDEK & GRAYCK, P.C.

Appearing for Vermont Fuel Dealers Association  
159 State Street  
Montpelier, VT 05601-0489

BY: RICHARD H. SAUDEK, ESQUIRE

DIANE E. ZAMOS, ESQUIRE

Appearing for Agency of Agriculture, Food and Markets  
Assistant Attorney General  
Office of the Vermont Attorney General  
109 State Street  
Montpelier, VT 05609-1001

Appearances Continued:

S. MARK SCIARROTTA, ESQUIRE

Appearing for Vermont Electric Power Company, Inc.,  
and Vermont Transco LLC  
366 Pinnacle Ridge Road  
Rutland, VT 05701

BURAK ANDERSON & MELLONI, PLC

Appearing for Chittenden Solid Waste District  
30 Main Street, Suite 210, P.O. Box 787  
Burlington, VT 05402-0787

BY: JULIA S. FLORES, ESQUIRE

DIAMOND & ROBINSON, P.C.

Appearing for Town of Monkton  
15 East State Street, P.O. Box 1460  
Montpelier, VT 05601-1460

BY: JOSHUA R. DIAMOND, ESQUIRE

DUNKIEL SAUNDERS ELLIOTT RAUBVOGEL & HAND PLLC

Appearing for Agri-Mark Inc./Cabot Creamery  
91 College Street, P.O. Box 545  
Burlington, VT 05401

BY: GEOFFREY H. HAND, ESQUIRE

NATHAN B. PALMER, PRO SE

Appearing for Jane Palmer, Raymond and Beverly  
Latreille  
986 Rotax Road  
North Ferrisburgh, VT 05473

## I N D E X

Witness	Page
Craig Keller	8
Thomas E. Moreau	9
Direct Examination by Ms. Flores	10
Prefiled Testimony Admitted	11
Nathan Palmer	14
Prefiled Testimony Admitted	17
Cross Examination by Mr. Diamond	18
Aldo Speroni	36
Timothy Bouton	37
Direct Examination by Mr. Lougee	38
Prefiled Testimony Admitted	39
Cross Examination by Mr. Diamond	55
Cross Examination by Ms. Hayden	56
Redirect Examination by Mr. Lougee	58
Peter W. Lind	61
Direct Examination by Mr. Sciarrotta	61
Prefiled Testimony Admitted	62
Surrebuttal by Mr. Sciarrotta	63
Cross Examination by Mr. Palmer	78
Cross Examination by Ms. Levine	80
Alan Quackenbush	83
Walter TJ Poor	85
Direct Examination by Ms. Porter	85
Prefiled Testimony Admitted	90
Cross Examination by Ms. Levine	91,128
Cross Examination by Mr. Saudek	97
Cross Examination by Mr. Palmer	103,131
Exhibits	Admitted
NP 1-5	17
Palmer Rebuttal 1	17
Bouton 1-6	39
VELCO PWL 1-2	62
ANR AQ-1	83
DPS WP 1-2	90
DPS WP Replacement 1	90

1           CHAIRMAN VOLZ: Good afternoon. This is  
2 a Public Service Board hearing in Docket  
3 Number 7970 which is the petition to review  
4 the proposal by Vermont Gas Systems to expand  
5 their system south into Addison County.

6           I would like to start by taking notices  
7 of appearance and I'll start from my left.  
8 This is from the parties we want notice from.

9           MS. PORTER: Louise Porter and Tim  
10 Duggan for the Department of Public Service,  
11 and with us today is TJ Poor of our planning  
12 and energy resources division.

13           CHAIRMAN VOLZ: Thank you.

14           MS. LEVINE: Sandra Levine, Conservation  
15 Law Foundation.

16           MS. DILLON: Judith Dillon on behalf of  
17 Agency of Natural Resources, and watching  
18 today's proceedings are three interns; Chris  
19 Brown, Pat Berry, and Kyle Davis.

20           MR. SAUDEK: Richard Saudek on behalf of  
21 the Vermont Fuel Dealers Association.

22           MS. CLITHERO: Toni Clithero on behalf  
23 of the Vermont Agency of Transportation.

24           MS. ZAMOS: Diane Zamos on behalf of the  
25 Vermont Agency of Agriculture, Food and  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 Markets.

2 MR. LOUGEE: Adam Lougee on behalf of  
3 the Addison County Regional Planning  
4 Commission. I have with me Tim Bouton.

5 MR. DIAMOND: Josh Diamond on behalf of  
6 the Town of Monkton.

7 MR. SCIARROTTA: Mark Sciarrotta for  
8 VELCO, and with me is Peter Lind.

9 MS. FLORES: Julia Flores with Burak  
10 Anderson & Melloni on behalf of Chittenden  
11 Solid Waste District. With me today is Mr.  
12 Tom Moreau.

13 MR. HAND: Geoff Hand from Dunkiel  
14 Saunders here representing Agri-Mark/Cabot  
15 Creamery.

16 MR. PALMER: Nathan Palmer with my wife  
17 Jane, and Dan Nuegen, a Vermont law student  
18 who wants to sit in.

19 MS. HAYDEN: Kimberly Hayden on behalf  
20 of the Petitioner, and with me is Eileen  
21 Simollardes, Mark Teixeira, Don Gilbert, all  
22 of Vermont Gas Systems. Also Karen Shufelt  
23 from our office at Downs Rachlin.

24 CHAIRMAN VOLZ: Thank you. I understood  
25 Mr. Speroni is here.  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 MS. PORTER: He's in the door.

2 CHAIRMAN VOLZ: Okay. Hello, Mr.  
3 Speroni.

4 MR. SPERONI: Yes.

5 CHAIRMAN VOLZ: Could you just enter  
6 your name for the record please?

7 MR. SPERONI: Aldo Speroni.

8 CHAIRMAN VOLZ: Thank you. Feel free to  
9 sit at the table if you would like.

10 MR. SCIARROTTA: Mr. Chair, I didn't  
11 realize VELCO has another associate here.  
12 Kerrick Johnson, our Vice President for  
13 External Affairs is also here.

14 CHAIRMAN VOLZ: Thank you. I appreciate  
15 that. Now there are a couple of preliminary  
16 matters. One of them was that AOT would like  
17 to present the testimony of Mr. Keller; is  
18 that correct?

19 MS. CLITHERO: Yes.

20 CHAIRMAN VOLZ: And how do you spell  
21 your name?

22 MS. CLITHERO: C-L-I-T-H-E-R-O.

23 CHAIRMAN VOLZ: Okay. Thank you.

24 MS. CLITHERO: Yes. I have given a copy  
25 to the court reporter already of the prefilled  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 direct testimony of Craig Keller, and I  
2 understand from my colleagues that the Board  
3 had no questions for Mr. Keller.

4 CHAIRMAN VOLZ: That's correct.

5 MS. CLITHERO: Thank you.

6 CHAIRMAN VOLZ: And I don't think any  
7 other party did. So we'll just admit the  
8 testimony unless there's an objection. Okay.  
9 Hearing none the testimony is admitted.

10 (The Prefiled Testimony of Craig Keller  
11 was admitted into the record.)

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Capitol Court Reporters, Inc. (800/802) 863-6067

1 CHAIRMAN VOLZ: Were there any exhibits  
2 with the testimony?

3 MS. CLITHERO: No.

4 CHAIRMAN VOLZ: Okay. Great.

5 MS. CLITHERO: Thank you.

6 CHAIRMAN VOLZ: I guess we are ready for  
7 Mr. Moreau to testify.

8 THOMAS E. MOREAU,

9 Having been duly sworn, testified  
10 as follows:

11 BOARD MEMBER COEN: Please state your  
12 name for the record.

13 MR. MOREAU: Thomas E. Moreau.

14 BOARD MEMBER COEN: Thank you.

15 MS. PORTER: I'm just not sure after our  
16 earlier meeting if the Board intended to call  
17 Mr. Poor this afternoon. I did want to make  
18 the full Board aware that he has an absolute  
19 cutoff time of 5 o'clock --

20 CHAIRMAN VOLZ: Okay.

21 MS. PORTER: -- if you were planning to  
22 work him in. Excuse the interruption.

23 BOARD MEMBER COEN: I think if we have  
24 time we'll call him.

25 CHAIRMAN VOLZ: If we have time.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 BOARD MEMBER COEN: He's our backup  
2 witness if we have time.

3 CHAIRMAN VOLZ: Right, but if we go past  
4 5 o'clock we won't need him anyway because we  
5 will have run out of time.

6 MS. PORTER: Got you.

7 CHAIRMAN VOLZ: Okay. I think we're the  
8 only ones who have questions for this witness;  
9 is that correct?

10 MR. YOUNG: That's correct.

11 CHAIRMAN VOLZ: Why don't you go ahead.

12 MR. YOUNG: As usual it's me. Good  
13 afternoon, Mr. Moreau.

14 MS. FLORES: May I just move to submit  
15 Mr. Moreau's prefiled testimony before the  
16 cross?

17 CHAIRMAN VOLZ: Yes. Sorry, and you  
18 don't need to apologize. I should have asked  
19 you to do that.

20 DIRECT EXAMINATION

21 BY MS. FLORES:

22 Q. So I would just like to lay a foundation. Mr.  
23 Moreau, can you state your title at CSWD please?

24 A. I'm the General Manager of the Chittenden  
25 Solid Waste District.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 Q. And are you familiar with Mr. Brian Wright's  
2 prefiled testimony that is before you at the moment?

3 A. Yes, I am.

4 Q. And does it consist of seven -- or how many  
5 pages does it consist of?

6 A. Seven pages.

7 Q. Were there any exhibits filed with it?

8 A. No.

9 Q. And does it accurately reflect the information  
10 that Mr. Wright provided to the Board?

11 A. Yes.

12 Q. Are you adopting this testimony on behalf of  
13 Mr. Wright today?

14 A. Yes.

15 MS. FLORES: I move to admit it and  
16 please open for cross examination.

17 CHAIRMAN VOLZ: Thank you. Any  
18 objection? It's admitted.

19 (The Prefiled Testimony of Brian Wright  
20 was admitted into the record.)

21

22

23

24

25

1                   CHAIRMAN VOLZ: Now we'll start our  
2 questioning. Thank you.

3                   MR. YOUNG: Good afternoon. Let me move  
4 you first to page 6 of the testimony -- Mr.  
5 Wright's testimony that you're adopting. Here  
6 you have raised several concerns about the  
7 proposed placement of the pipeline, one of  
8 which is that at line 6 it eliminates space  
9 for future landfill support structures,  
10 similar concern about the capacity on line 10,  
11 and then on line 16 about the plantings and  
12 the berm. Do you see those?

13                   MR. MOREAU: Yes.

14                   MR. YOUNG: Are those still concerns of  
15 the Solid Waste District?

16                   MR. MOREAU: Yes.

17                   MR. YOUNG: Is there a recommendation  
18 that the Waste District has for the Board in  
19 terms of what we should do to address those  
20 concerns?

21                   MR. MOREAU: CSWD would prefer at that  
22 location from the potential landfill site that  
23 the gas line go along the road right-of-way as  
24 opposed to on our property.

25                   MR. YOUNG: And I don't want to get into  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 the substance of your discussions, but do I  
2 understand that the Waste District is having  
3 discussions with Vermont Gas Systems about a  
4 possible change in that area?

5 MR. MOREAU: Yes.

6 MR. YOUNG: How much of a capacity loss  
7 are you anticipating if it's not moved?

8 MR. MOREAU: Significant. To the point  
9 of millions of dollars of capacity and you can  
10 -- if you wanted to divide that by \$80 a ton  
11 and then by a certain amount to get the cubic  
12 yards, but we could do that if you wish.

13 MR. YOUNG: I don't think I need that.  
14 Order of magnitude is close enough for our  
15 purposes. Actually I think that's all the  
16 questions I had.

17 CHAIRMAN VOLZ: Thank you, Mr. Moreau,  
18 unless there's some followup to our questions.  
19 Okay. Thank you. Appreciate you coming in.

20 MR. MOREAU: Thank you.

21 CHAIRMAN VOLZ: Was there redirect? I'm  
22 sorry.

23 MS. FLORES: There was no redirect.

24 CHAIRMAN VOLZ: Thank you. I think  
25 we're ready for Mr. Palmer.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 BOARD MEMBER COEN: Mr. Palmer. Good  
2 afternoon. Want to raise your right-hand?

3 NATHAN PALMER,

4 Having been duly sworn, testified  
5 as follows:

6 BOARD MEMBER COEN: Thank you. Please  
7 state your name for the record.

8 MR. PALMER: Nathan Palmer.

9 CHAIRMAN VOLZ: Mr. Palmer, did you  
10 prefile testimony in this case?

11 MR. PALMER: Yes, I did.

12 CHAIRMAN VOLZ: Okay. Can you identify  
13 it by date and pages numbers?

14 MR. PALMER: Prefiled testimony is dated  
15 June 13, 2013.

16 CHAIRMAN VOLZ: And how many pages was  
17 it? Are you able to -- is that easy to  
18 determine?

19 MR. PALMER: 76.

20 CHAIRMAN VOLZ: 76 pages. Okay. Does  
21 that include exhibits or is that just the  
22 testimony?

23 MR. PALMER: I think that includes the  
24 exhibits as well.

25 CHAIRMAN VOLZ: And this is just your  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 testimony, not the other people whose  
2 testimony you filed?

3 MR. PALMER: No. This is all my  
4 testimony. I think there's one exhibit. This  
5 does have Jeffrey Wolfson in as well.

6 CHAIRMAN VOLZ: Hang on. We're going to  
7 have Mr. Young --

8 MR. PALMER: So my direct testimony is  
9 from 3 to 34 is my testimony.

10 CHAIRMAN VOLZ: Hang on a second.  
11 That's good enough for now. Mr. Young may  
12 have some more questions.

13 MR. YOUNG: Let me just try to do this.  
14 Your original prefiled testimony on June 13th  
15 was 26 pages, correct?

16 MR. PALMER: Yes.

17 MR. YOUNG: And then you had attached to  
18 that five exhibits that were marked NP 1  
19 through NP 5?

20 MR. PALMER: I believe so. Yes.

21 MR. YOUNG: Is that correct? And then  
22 you had supplemental testimony or rebuttal  
23 testimony that you filed -- let me get to the  
24 right point -- August 14th; is that correct?

25 MR. PALMER: Yes, it was.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 MR. YOUNG: And that testimony was 15  
2 pages?

3 MR. PALMER: I believe so. Yup.

4 CHAIRMAN VOLZ: And attached to that you  
5 had six exhibits. They were labeled exhibit  
6 Palmer Rebuttal 1 through 6; is that correct?

7 MR. PALMER: Yes, sir.

8 MR. YOUNG: And is your testimony as you  
9 gave it at the time you wrote it still  
10 accurate?

11 MR. PALMER: I believe so.

12 MR. YOUNG: Do you have any corrections  
13 you would like to make to your testimony?

14 MR. PALMER: I haven't noticed any.

15 MR. YOUNG: And if you were asked the  
16 same answers that you were -- asked the same  
17 questions that you answered before, you would  
18 have the same answers?

19 MR. PALMER: Yes.

20 MS. TIERNEY: You're now available for  
21 cross examination.

22 CHAIRMAN VOLZ: Okay. Is there any  
23 objection to admitting Mr. Palmer's testimony  
24 and exhibits?

25 MS. HAYDEN: No objection.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 CHAIRMAN VOLZ: All right. They are  
2 admitted.

3 (The Prefiled Testimony of Nathan Palmer  
4 was admitted into the record.)

5 (Exhibits marked NP 1-5 and Palmer  
6 Rebuttal 1-6 were admitted into the record.)

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 CHAIRMAN VOLZ: Now you're available for  
2 cross and I think we're the only ones who have  
3 questions for him or, Mr. Diamond, do you have  
4 questions?

5 MR. DIAMOND: A few.

6 CHAIRMAN VOLZ: Why don't you go ahead.

7 MR. DIAMOND: Thank you, Mr. Chairman.

8 CROSS EXAMINATION

9 BY MR. DIAMOND:

10 Q. Mr. Palmer, I believe you were here for Ms.  
11 Simollardes' testimony on day one of the proceedings?

12 A. I was.

13 Q. And during that time she referred to an  
14 exhibit labeled exhibit Petitioner Surrebuttal EMS-1?

15 A. Yes. She did.

16 Q. I believe a full scale copy of that is right  
17 behind you.

18 A. I believe it is.

19 Q. If I may ask the witness to look at that and  
20 refer to that for my questions. Thank you, Ms.  
21 Simollardes.

22 During that testimony of Ms. Simollardes do  
23 you recall the proposal about an easement, a conservation  
24 easement, to the west of your property?

25 A. Yes, I do.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 Q. And my understanding is that that is a federal  
2 conservation easement?

3 A. Yes. It is through NRCS.

4 Q. And there was a discussion about a potential  
5 proposal that whereby a waiver could be sought through  
6 that easement; is that correct?

7 A. It was discussed. Yes.

8 Q. And do you also recall that discussion  
9 involved requirements that both -- that you would need to  
10 be an applicant for such waiver?

11 A. Yes.

12 Q. Are you willing to be an applicant for such a  
13 waiver?

14 A. I'm not sure at this point.

15 Q. And can you tell me why?

16 A. Because of all the issues that we're dealing  
17 with here.

18 Q. Such as?

19 A. Well I put the wetlands into the preserve so  
20 that it would be preserved. The idea was for it not to be  
21 developed and an industrial pipeline sounds to me like a  
22 form of development.

23 Q. And you would agree that if the pipeline did  
24 go through that wetland it might in fact be up to 300 feet  
25 away from your property?

Capitol Court Reporters, Inc. (800/802) 863-6067

1           A.       Well it would have to be into the wetlands in  
2 order to get 300 feet. Yes.

3                   MR. DIAMOND: No further questions.

4                   CHAIRMAN VOLZ: Thank you.

5                   MS. TIERNEY: Mr. Palmer, I imagine this  
6 has not been an easy process for you and your  
7 wife. Sometimes the Board has to make  
8 difficult choices and I think you understand  
9 that.

10                  MR. PALMER: Yes.

11                  MS. TIERNEY: And you have been very  
12 clear about what your preferred choice would  
13 be which is no pipeline across your property  
14 at all.

15                  MR. PALMER: Definitely.

16                  MS. TIERNEY: And it was pretty clear  
17 from the site visit, at least I could see,  
18 from what I saw why 100 feet distance between  
19 your house and the pipeline might be something  
20 of concern to you personally.

21                         If it were possible to put this pipeline  
22 140 feet away from your property, that would  
23 certainly be preferable to you, would it not,  
24 to 100 feet?

25                         MR. PALMER: Well it's a little bit  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 more, but it's incremental.

2 MS. TIERNEY: It's not 300 feet.

3 MR. PALMER: No. It's not.

4 MS. TIERNEY: But 300 feet wouldn't make  
5 you any more happy, would it?

6 MR. PALMER: Anything is an advantage.

7 MS. TIERNEY: It might satisfy the Town  
8 of Monkton but not necessarily you; is that  
9 right?

10 MR. PALMER: Well like I said, I have  
11 issues whereas I put the wetlands into reserve  
12 because I felt I wanted to give that back to  
13 nature.

14 MS. TIERNEY: Fair enough. Thank you.  
15 I have no further questions.

16 MR. YOUNG: Good afternoon, Mr. Palmer.

17 MR. PALMER: Good afternoon.

18 MR. YOUNG: A couple things I wanted to  
19 talk to you about in your testimony. The  
20 first is you raise some concern about whether  
21 your farm would be considered organic after  
22 the pipeline is installed, correct?

23 MR. PALMER: Yes.

24 MR. YOUNG: Is your farm certified as  
25 organic now?

Capitol Court Reporters, Inc. (800/802) 863-6067

1 MR. PALMER: Right now it is not.

2 MR. YOUNG: Are you intending to seek  
3 such certification?

4 MR. PALMER: It's definitely an option I  
5 want to keep open, and I am in the process of  
6 negotiating with a gentleman, Natacka  
7 (phonetic) White who has started a new  
8 business and he's looking to lease land to put  
9 on organic sunflowers, and it's -- my land  
10 does not have any chemicals on it. It's an  
11 option that would work very well for me.

12 MR. YOUNG: Have you discussed with the  
13 entities that would be in charge of  
14 certification whether installation of the  
15 pipeline would negatively impact that?

16 MR. PALMER: There has been discussions  
17 on it. Yes.

18 MR. YOUNG: Are there particular matters  
19 that -- I guess we heard that the entity that  
20 would be responsible was something called  
21 NOFA?

22 MR. PALMER: Yes, it is.

23 MR. YOUNG: Have they indicated any  
24 particular concerns or just about the  
25 existence of the pipeline?

Capitol Court Reporters, Inc. (800/802) 863-6067

1 MR. PALMER: Oh the construction process  
2 and any potential leak that would occur down  
3 the line. Methane would definitely not be  
4 considered an organic material.

5 MR. YOUNG: And it was primarily concern  
6 about potential methane leak?

7 MR. PALMER: The leak and any  
8 contamination that could result and anything  
9 in the construction zone, whether it be leaks  
10 from the equipment or coatings on the pipes or  
11 anything like that.

12 MR. YOUNG: I understand your testimony  
13 raises a number of different concerns. I  
14 wanted --

15 MR. PALMER: That's correct.

16 MR. YOUNG: I wanted to talk about one  
17 which is the potential change in water flows.

18 MR. PALMER: Yes.

19 MR. YOUNG: You were here with -- when  
20 Mr. Heintz testified on your behalf yesterday?

21 MR. PALMER: I was.

22 MR. YOUNG: And he suggested that some  
23 of the concerns about water accumulation and  
24 changing water flows might be addressed  
25 through some approaches to drainage that would  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 end up with the discharge -- any additional  
2 water being discharged into the marsh. Do you  
3 recall that?

4 MR. PALMER: Yes.

5 MR. YOUNG: Is there any reason that you  
6 know of that that would not be feasible?

7 MR. PALMER: I'm not sure if there would  
8 be any issues from the NRCS because I know  
9 they do have stipulations on I can't enter it,  
10 drain it, or do anything to affect the water  
11 that's there. I don't know if add -- I don't  
12 know if adding as well as subtracting is an  
13 issue or not.

14 MR. YOUNG: So from your standpoint  
15 you're not sure whether if putting in such  
16 systems might adversely affect your  
17 obligations with respect to the marsh area  
18 that's in the wetlands?

19 MR. PALMER: Any ditching in the wetland  
20 reserve is prohibited.

21 MR. YOUNG: Okay. Final area I wanted  
22 to talk about was Vermont Gas suggested in  
23 testimony the possibility of boring part of  
24 the route through your property and you have  
25 heard that, correct?

Capitol Court Reporters, Inc. (800/802) 863-6067

1 MR. PALMER: Yes, I have.

2 MR. YOUNG: Have you discussed that  
3 possibility at all with the company?

4 MR. PALMER: Nothing other than what's  
5 come up in the last few days here.

6 MR. YOUNG: If a line were bored through  
7 all or part of your property and thereby  
8 installed at somewhere between -- I think we  
9 heard between 10 or 15 feet in depth, would  
10 that address some or all of your concerns?

11 MR. PALMER: You know it takes care of  
12 some of the issues as far as the land goes. I  
13 don't know as it settles all my issues, you  
14 know, the way I think about things I guess,  
15 you know.

16 I mean if it were horizontally bored,  
17 you know, from Norm's property right across  
18 Rotax Road so there was no issues, you know,  
19 it would be a little easier to take, but at  
20 the same time I feel I would like to have the  
21 same thing that the Town asked for, you know,  
22 off the road, on the VELCO corridor, 300 feet  
23 from my house. If it's on the VELCO corridor,  
24 it's 300 feet from my house.

25 MR. YOUNG: So your preference -- your  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 overall preference is just move it back to the  
2 VELCO corridor?

3 MR. PALMER: Well we are establishing an  
4 energy corridor here through the town so that  
5 corridor should be bundled up and the burden  
6 should be in that one area. If you're going  
7 to have an energy corridor, you need to have  
8 it there in a way that it's not going to just  
9 go willy nilly across other people's lands.

10 You know there's a lot of implications  
11 there. There's the fact that this probably  
12 isn't the only pipeline that's going to go on.  
13 In fact, you raised the issue yesterday, I  
14 believe it was, that in 2017 it looked like  
15 the capacity of this pipe might be getting  
16 close to where they might need to build out.  
17 That would be another pipe which would be  
18 another issue and might open me up to having  
19 my land stripped back to put another pipe in  
20 or add here to horizontally bored again.

21 So there's a lot of complications there.  
22 So my feeling is if we're going to have an  
23 energy corridor through the State of Vermont,  
24 we should have it bundled up so it's not a  
25 burden because it's not just my land. It's

Capitol Court Reporters, Inc. (800/802) 863-6067

1 every landowner that you go across that's  
2 going to have to deal with it and deal with it  
3 every time it happens. So if it's going to go  
4 in, it needs to go in in a way that landowners  
5 know it's there and they can deal with it, and  
6 it's just not like spaghetti all over the  
7 place.

8 MR. YOUNG: Great. Thank you very much.

9 MR. PALMER: Thank you.

10 BOARD MEMBER COEN: I think you pretty  
11 much answered my question, but I just want to  
12 be really clear for the record here.

13 In terms of your preferences,  
14 priorities, you would rather see the pipeline  
15 not be built at all?

16 MR. PALMER: Well yeah. I think it has,  
17 you know, a big implication. You know, we're  
18 looking at building out a large fossil fuel  
19 infrastructure when everything we read and  
20 hear on climate change tells us in 20 years we  
21 need to be off fossil fuel. So it seems like  
22 the wrong direction to go. Build out  
23 something that's good for 50 to 100 years when  
24 you're supposed to be getting off from fossil  
25 fuels in 20 years doesn't quite seem right.

Capitol Court Reporters, Inc. (800/802) 863-6067

1                   BOARD MEMBER COEN:   Okay, and if --  
2                   however, if it was going to be built, then it  
3                   should be in the VELCO corridor?

4                   MR. PALMER:    Yes.  I believe that's the  
5                   place that is the most appropriate.

6                   BOARD MEMBER COEN:  And if it's not in  
7                   the VELCO corridor and goes across your land,  
8                   it should be horizontally drilled?

9                   MR. PALMER:    It should be horizontally  
10                  drilled and it should be drilled 300 feet away  
11                  from my property which gets into the whole  
12                  issue of the wetlands and another permit which  
13                  they would have to deal with.

14                  BOARD MEMBER COEN:  Okay.  We heard some  
15                  testimony regarding whether it should be --  
16                  whether it was from the Norris property line  
17                  all the way across Rotax or shorter than that  
18                  and deal with some of the drainage issues  
19                  another way.  Would you like to comment on  
20                  that option?

21                  MR. PALMER:    Well, you know, if it's  
22                  going to be done one way or another, it has to  
23                  be just horizontally bored right straight  
24                  through.  Just the whole idea of -- you know

25                  I've been working my land for years.  I have  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 done it organically, and to go in and strip  
2 off 75 feet of topsoil so that you can put a  
3 pipeline in it could take me years to get that  
4 soil back to where it is now, you know. It  
5 takes a lot to get clay soil in a friable  
6 state when you're doing it organically. It's  
7 not as easy as just going out and throwing  
8 some fertilizer and lawn seed on it.

9 BOARD MEMBER COEN: I understand, and in  
10 terms if there was to be horizontal drilling I  
11 mean -- and there's really two ways to go; one  
12 is in the wetland and one is out, and do you  
13 have a preference either way?

14 MR. PALMER: I really feel if I have to  
15 have it, I need to have that 300 foot setback.  
16 I mean it's ridiculous that everyone else  
17 should have it except me. I mean it's a  
18 little annoying that we moved from the road to  
19 the VELCO corridor except at Nate's place.

20 BOARD MEMBER COEN: I certainly  
21 understand. Thank you.

22 MR. PALMER: Thank you.

23 CHAIRMAN VOLZ: I had a question for the  
24 company. Mr. Palmer just now said something  
25 about stripping top soil 75 feet across. Is

1           that what the proposal is? I didn't  
2           understand that to be the proposal.

3           MS. HAYDEN: That is not the proposal.  
4           There's a trench. I thought what he said was  
5           7 to 5 feet which also sounded too much, but  
6           there's a trench that is in I think Mr.  
7           Heintz's testimony and it's in the record. So  
8           if I misstate it, we have to check the record.  
9           It's about five feet. The area of the  
10          temporary work space together with the 50-foot  
11          easement is 75 feet wide, but it's not all  
12          stripped.

13          BOARD MEMBER COEN: But wouldn't the  
14          equipment being on the land and some of the  
15          other issues deteriorate the area in terms of  
16          the topsoil?

17          MR. PALMER: If you were to check Mr.  
18          Heintz's drawings, JAH 1, is it, the exhibit  
19          that you put in shows the equipment is drawn  
20          out that will be used and definitely states  
21          right on there stripping the topsoil 75 feet.  
22          We'll have to get up that little diagram.

23          MS. HAYDEN: I think the record -- I  
24          think the documents speak for themselves, and  
25          what I would recommend is if there is a  
Capitol Court Reporters, Inc. (800/802) 863-6067

1           lingering question, Mr. Heintz really needs to  
2           answer this and we can have him come in  
3           tomorrow morning.

4           CHAIRMAN VOLZ: Well if the record is  
5           clear, then we don't need to. I just heard  
6           Mr. Palmer say stripping 75 feet of topsoil.

7           MR. PALMER: That's what the diagram  
8           shows.

9           CHAIRMAN VOLZ: And if that isn't clear  
10          from the record, then I would like you to make  
11          it clear. Otherwise --

12          MS. HAYDEN: Can I have Mr. Teixeira  
13          still be under oath and he can answer this  
14          question because he's just clarified it for  
15          me. He's going to agree with Mr. Palmer I  
16          think.

17          CHAIRMAN VOLZ: Why don't we talk about  
18          having him come back when we're done here.

19          MS. HAYDEN: Okay.

20          CHAIRMAN VOLZ: Thanks. Mr. Palmer.

21          MR. PALMER: Here's the diagram I was  
22          provided, the techniques that they use, and  
23          there's a little diagram here, and if you read  
24          through it, it says topsoil stripping 75 feet.

25          CHAIRMAN VOLZ: What's that diagram come  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 from?

2 MR. PALMER: This was provided by John  
3 Heintz.

4 CHAIRMAN VOLZ: Is it in the record?

5 MS. HAYDEN: It's in the record and what  
6 Mr. -- this is a page from JH 1 or JH --

7 MS. TIERNEY: Why don't we take a moment  
8 and identify it for the record.

9 CHAIRMAN VOLZ: What we would like to do  
10 is finish Mr. Palmer. Then we can maybe have  
11 -- while you folks sort this out then we can  
12 revisit this issue after Mr. Palmer is done.

13 MS. HAYDEN: If I may, though, what Mr.  
14 Teixeira has just said, and he's free to come  
15 back tomorrow or Mr. Heintz can be here, is  
16 that for primary ag -- for agricultural soils  
17 they do separate the topsoil. As part of the  
18 remediation they do separate the topsoil even  
19 on the temporary work space. So I think that  
20 Mr. Palmer is accurate in what he's just  
21 described. They don't trench the whole 75  
22 feet, but they separate and segregate the top  
23 soils.

24 CHAIRMAN VOLZ: So it doesn't get  
25 impacted by the equipment and then they put it  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 back afterward?

2 MS. HAYDEN: Yes.

3 CHAIRMAN VOLZ: Okay. Thank you.

4 BOARD MEMBER BURKE: So it's disturbed,  
5 but it's not compacted?

6 MS. HAYDEN: Well it's separated and  
7 stockpiled and then the equipment runs over  
8 the sub soil.

9 BOARD MEMBER BURKE: So it's disturbed  
10 but not compacted?

11 MS. HAYDEN: Yes.

12 BOARD MEMBER BURKE: Okay. Mr. Palmer,  
13 I know it's your preference that the line, if  
14 it's allowed, remain in the VELCO  
15 right-of-way.

16 MR. PALMER: Yes.

17 BOARD MEMBER BURKE: And then you made  
18 the statement with it that you would like to  
19 see it follow the path 300 feet away from  
20 houses, but --

21 MR. PALMER: Yes.

22 BOARD MEMBER BURKE: If it stays in the  
23 VELCO right-of-way, there will be residential  
24 structures that will be within 300 feet of the  
25 pipeline, won't there?

Capitol Court Reporters, Inc. (800/802) 863-6067

1 MR. PALMER: And they are presently  
2 encumbered by the VELCO corridor.

3 BOARD MEMBER BURKE: But they knew they  
4 were near a VELCO corridor. They didn't know  
5 they were going to be near a gas pipeline.

6 MR. PALMER: I know that feeling.

7 BOARD MEMBER BURKE: So if the gas  
8 pipeline goes in, somebody's going to be  
9 within 300 feet. Isn't that true?

10 MR. PALMER: Somebody's going to be  
11 within 300 feet.

12 BOARD MEMBER BURKE: I have no further  
13 questions.

14 CHAIRMAN VOLZ: Any followup to our  
15 questions? Anything else you would like to  
16 add?

17 MR. PALMER: I could go on for ages.

18 CHAIRMAN VOLZ: No. No. I mean that  
19 you would like to add to any of the questions  
20 we asked you.

21 MR. PALMER: I think I'm good. Thank  
22 you.

23 CHAIRMAN VOLZ: Thank you. Appreciate  
24 your coming in and testifying.

25 MR. PALMER: No problem.

Capitol Court Reporters, Inc. (800/802) 863-6067

1                   CHAIRMAN VOLZ:  So, Ms. Hayden, we can  
2                   take Mr. Teixeira now unless you would rather  
3                   do it another time.

4                   MS. HAYDEN:  I don't have the exhibit.  
5                   I know what number it is.  It's John Heintz 3  
6                   and there's some initial specs.

7                   CHAIRMAN VOLZ:  We'll wait to a later  
8                   point in time so you can sort out.

9                   MS. HAYDEN:  I think so.

10                  CHAIRMAN VOLZ:  I think next we would  
11                  like to take Mr. Speroni if you would like.  
12                  We admitted your testimony yesterday.  You  
13                  weren't here.  If there's some -- if there's  
14                  anything -- I don't think anybody has any  
15                  questions for you.

16                  We understand what you say in your  
17                  testimony, and as Mr. Palmer can tell you we  
18                  have been going over these issues pretty  
19                  thoroughly all week, but if there's something  
20                  you would like to say, we can swear you in and  
21                  put you on the stand if you would like.

22                  MR. SPERONI:  I don't think it will be  
23                  necessary.

24                  CHAIRMAN VOLZ:  All right.  We would  
25                  like you to come up.  We do have a question  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 for you.

2 BOARD MEMBER COEN: Raise your  
3 right-hand.

4 ALDO SPERONI,

5 Having been duly sworn, testified  
6 as follows:

7 BOARD MEMBER COEN: Thank you. Please  
8 speak into the mike. State your name for the  
9 record.

10 MR. SPERONI: Aldo Speroni.

11 BOARD MEMBER COEN: I think the question  
12 we have for you is, you know, we have heard  
13 sort of offhand that the company and you have  
14 come to some agreement in regard to the issues  
15 that you have had with this pipeline; is that  
16 correct or not?

17 MR. SPERONI: It is somewhat correct.  
18 At least they redirected the path and it  
19 influences my property less than it did before  
20 which is what I was looking for, a fair  
21 payment in this process.

22 BOARD MEMBER COEN: So are you satisfied  
23 now?

24 MR. SPERONI: Well I would just as soon  
25 see the whole thing go away, but as far as  
Capitol Court Reporters, Inc. (800/802) 863-6067

1           what I can do pertaining to where the pipeline  
2           is going to go it's as good as it can get I  
3           think as far as I'm concerned.

4           BOARD MEMBER COEN: Thank you.

5           MR. SPERONI: It would be better if it  
6           went around the other side of the substation,  
7           but if it has to go on my side of the  
8           substation, the little corridor that they have  
9           made would be as good as it gets.

10          BOARD MEMBER COEN: Thank you. That's  
11          all I have.

12          CHAIRMAN VOLZ: Thank you, Mr. Speroni.  
13          Appreciate that. Mr. Lougee, I think we're up  
14          to your witness.

15          MR. LOUGEE: Mr. Bouton will take the  
16          stand.

17          BOARD MEMBER COEN: Mr. Bouton, want to  
18          raise your right-hand.

19          TIMOTHY BOUTON,

20                 Having been duly sworn, testified  
21          as follows:

22          BOARD MEMBER COEN: Please state your  
23          name for the record.

24          MR. BOUTON: Timothy Bouton.

25                         DIRECT EXAMINATION  
                  Capitol Court Reporters, Inc. (800/802) 863-6067

1 BY MR. LOUGEE:

2 Q. Good afternoon, Mr. Bouton.

3 A. Good afternoon, Mr. Lougee.

4 Q. Please tell the Board your occupation?

5 A. I am an emergency management coordinator,  
6 planner for the Addison County Regional Planning  
7 Commission.

8 Q. Thank you, and do you have your testimony and  
9 exhibits that you prefiled in this case in front of you?

10 A. I do.

11 Q. Do they include 13 pages of testimony filed  
12 June 14th with five exhibits?

13 A. Yes.

14 Q. And five pages of testimony filed August 12th  
15 with one exhibit constituting the Memorandum of  
16 Understanding between Vermont Gas and the Addison County  
17 Regional Planning Commission?

18 A. Yes.

19 Q. And an appendix to that exhibit with four  
20 maps?

21 A. Yes.

22 Q. Do these accurately reflect the testimony you  
23 prepared for this case and are prepared to give today?

24 A. Yes.

25 Q. Do you have any corrections or additions?  
Capitol Court Reporters, Inc. (800/802) 863-6067

1           A.       Not that I can think of.

2                       MR. LOUGEE:  I would move to admit the  
3                       prefiled testimony and exhibits of Tim Bouton.

4                       CHAIRMAN VOLZ:  Any objection?  Okay.  
5                       They are admitted.

6                       (The Prefiled Testimony of Timothy  
7                       Bouton was admitted into the record.)

8                       (Exhibits marked Bouton 1-6 were admitted  
9                       into the record.)

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1 MR. LOUGEE: The witness is available  
2 for cross.

3 CHAIRMAN VOLZ: Okay. I think we're the  
4 only ones who have questions.

5 MR. YOUNG: Good afternoon, Mr. Bouton.

6 MR. BOUTON: Good afternoon, sir.

7 MR. YOUNG: I'm going to turn you to  
8 page 8 of your direct testimony please. This  
9 is the June 13th testimony.

10 MR. BOUTON: Yes, sir.

11 MR. YOUNG: And here is where you lay  
12 out I believe it was 10 conditions -- excuse  
13 me, nine conditions that you thought the Board  
14 should adopt in any Certificate of Public  
15 Good?

16 MR. BOUTON: Yes. That's true.

17 MR. YOUNG: And in the MOU that you have  
18 reached that's discussed in your rebuttal  
19 testimony you have agreed on conditions 3  
20 through 9 out of this list; is that correct?

21 MR. BOUTON: Yes.

22 MR. YOUNG: And you continue to have  
23 disagreement with VGS on issues 1 and 2,  
24 correct?

25 MR. BOUTON: Yes.

Capitol Court Reporters, Inc. (800/802) 863-6067

1                   MR. YOUNG: We heard from both Vermont  
2 Gas Systems and the Department various reasons  
3 why the Board should not adopt your  
4 recommendations and those two conditions. Can  
5 you provide the Board with your viewpoint as  
6 to why we should be adopting those two  
7 assuming you still want them?

8                   MR. BOUTON: First of all, I want to  
9 make sure that you understand that I have been  
10 a volunteer firefighter in the Town of New  
11 Haven for 30 years. I have relatively  
12 extensive experience with the first response  
13 community.

14                   All of the items which we brought forth  
15 to the Board directly impacted or do impact  
16 the first response community. We feel very  
17 strongly that training is a high priority.  
18 Protection of the line is a high priority.  
19 These were agreed to by Vermont Gas  
20 previously.

21                   Other priorities are that when a first  
22 responder or a first response group is called  
23 to a gas leak they need to be prepared. Our  
24 initial testimony requested 10-minute response  
25 time for Vermont Gas. That is more or less  
Capitol Court Reporters, Inc. (800/802) 863-6067

1           what local first response agencies expect from  
2           themselves. We have backed off on that  
3           because we understand it's not the Board's  
4           normality to request that and we've agreed  
5           that 30 minutes is probably sufficient.

6                     Our concern is that we have an initial  
7           10-minute response time, you add 30 minutes on  
8           top of that before Vermont Gas folks can get  
9           there, and a lot can change in that period of  
10          time in an emergency response.

11                    We would like to be able to have a  
12          meter, an explosivity meter, for each  
13          responding agency that would be capable of  
14          determining whether the gas was at a flammable  
15          level. That's between 5 and 15 percent gas to  
16          air mixture. Without that the best we can do  
17          is use our noses because it is a scented  
18          product.

19                    You should be aware when we show up and  
20          we're approaching a situation like that our  
21          noses are totally covered. We are in self-  
22          contained breathing apparatus. Our noses do  
23          not work in that situation. We need to be  
24          able to know what our risks are. We would  
25          like to, and it's been our request, to be

Capitol Court Reporters, Inc. (800/802) 863-6067

1 provided with a suitable non-sparking wrench  
2 where we could turn off the feed to any end  
3 user.

4 Our fear is that the gas, if there's an  
5 issue inside a home, is going to be trapped.  
6 Open air gas lines not a problem. Natural gas  
7 is lighter than air. It will dissipate  
8 vertically. Inside a structure it's a whole  
9 different story. We go inside structures.  
10 Non-sparking. We don't want to try to turn  
11 off the gas and find that we've created a  
12 spark and then we don't have a house or a  
13 business any more, nor do we have first  
14 responders.

15 MR. YOUNG: So in terms of the  
16 non-sparking tools you're looking for tools  
17 that would be usable simply at the residence,  
18 not anyplace else on the system?

19 MR. BOUTON: We would have no intention  
20 whatsoever for doing any intervention into the  
21 transmission line. That is way beyond the  
22 capacity of the local first response  
23 community. We do believe that it would be a  
24 single non-sparking wrench which would fit  
25 whatever the shutoff valve is that Vermont Gas  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 would put on their lines. That's all we're  
2 requesting. In terms of when I say tools I  
3 mean each agency will need one. That adds up  
4 to more than one.

5 MR. YOUNG: Just I have no clue what the  
6 answer to this is, but I'll ask it anyway.

7 MR. BOUTON: See if I do.

8 MR. YOUNG: Do you know whether the  
9 tools are specialized so that there would be  
10 one -- a different tool that would be solely  
11 for residential service drops essentially or  
12 would that tool also be usable on the  
13 transmission line?

14 MR. BOUTON: I also don't know the  
15 answer to that. I know that in a FEMA  
16 program, which I'm associated with community  
17 emergency response teams, one of the items  
18 which are recommended is a suitable  
19 non-sparking tool for shutting off gas lines  
20 at the homes. The program started in  
21 California. Has a whole lot of natural gas  
22 there.

23 When it was taught in Vermont most of  
24 our locals said we don't need that. We  
25 haven't got any natural gas. Well the picture  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 is changing. That is an item that is  
2 important.

3 MR. YOUNG: I assume you have had  
4 discussions with other communities partly in  
5 your role as a firefighter as you said. Do  
6 you know whether places like Burlington,  
7 Colchester that already have the pipeline  
8 whether they have the tool that allows for the  
9 residential cutoff?

10 MR. BOUTON: I do not know whether they  
11 do or not. Some of what you see here in our  
12 testimony, and my testimony relates to this,  
13 is an entirely new hazard for an entire  
14 county. This is not an extension such as  
15 what's been in Chittenden County for a long  
16 time. Burlington's had natural gas service  
17 for, what, 30 or 40 years now. They are very  
18 accustomed to it. All this happened there  
19 before their first response agencies were able  
20 to have an impact and then it sort of evolved  
21 from there.

22 We're going into an entirely new area  
23 which does not have the experience and really  
24 wants to be able to be capable to handle the  
25 situation. We do not want to enter into the  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 transmission line. We want to be able to  
2 protect people's homes. We want to be able to  
3 protect the firefighters who will respond to  
4 any incident.

5 MR. YOUNG: Among the concerns, and I  
6 realize I'm paraphrasing here, the concerns  
7 expressed as I recall by Vermont Gas and the  
8 Department was essentially safety concerns  
9 because of the potential negative impacts if  
10 there were a leak, and --

11 MR. BOUTON: That's our concern as well.

12 MR. YOUNG: But also that, you know,  
13 given the nature of the leak safety concerns  
14 about how the first responders who weren't  
15 trained to deal with natural gas facilities  
16 might actually get themselves into more  
17 trouble if they had these tools. Can you  
18 explain to me why that shouldn't be a concern?

19 MR. BOUTON: That should definitely not  
20 be a concern being as how Vermont Gas will be  
21 providing the training as in the MOU. If they  
22 provide us inadequate training, yes, we very  
23 possibly could make mistakes. We're asking  
24 very specifically for training for each  
25 department for regional, for first response

Capitol Court Reporters, Inc. (800/802) 863-6067

1 agencies, police, and any outside fire  
2 departments who may show up.

3 We're also asking for the meter to be  
4 specifically calibrated to natural gas or  
5 methane. Meters are very common out there and  
6 they are usually calibrated to methane, at  
7 which point you go to a chart, you read down  
8 through the chart, and you find out what that  
9 relates to natural gas.

10 If natural gas is going to be as common  
11 as we expect it will in the region, we want a  
12 dedicated meter that is a natural gas meter.  
13 It will be calibrated to natural gas and we  
14 would be able to pull that out when we get  
15 into our personal protective gear when we're  
16 approaching a situation at risk, be able to  
17 tell what our risk is.

18 MR. YOUNG: From your last description  
19 the inference I just took was you already have  
20 meters that detect gas, in this case methane,  
21 and in the absence of a specific meter  
22 calibrated to natural gas your organizations  
23 would be likely to use that meter and just do  
24 the extrapolations?

25 MR. BOUTON: That's what we would need  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 to do, and I can't underline the risk enough  
2 of doing that.

3 CHAIRMAN VOLZ: And potentially making a  
4 mistake or taking time?

5 MR. BOUTON: Or taking additional time.  
6 Yes.

7 MR. YOUNG: That covers my questions.

8 CHAIRMAN VOLZ: Have you talked to the  
9 first responders in Chittenden County about  
10 their experience and what Vermont Gas has  
11 provided them?

12 MR. BOUTON: The only first responders  
13 that I have spoken to in Chittenden County I  
14 did speak with the Fire Chief in the Town of  
15 Hinesburg who was quite disappointed to have a  
16 break in the line shortly after it was  
17 installed. He said be very careful. We are  
18 trying to be very careful.

19 CHAIRMAN VOLZ: Thank you.

20 MS. TIERNEY: I don't have a clear sense  
21 from the discussion and my review of the  
22 record as to what the cost would be of  
23 providing these non-sparking wrenches. Do you  
24 have any idea of that?

25 MR. BOUTON: I do not have an idea of  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 the cost of a non-sparking wrench. My  
2 assumption would be that they would be made  
3 out of aluminum and/or brass and a pound. So  
4 \$20 bucks maybe.

5 MS. TIERNEY: That can be determined. I  
6 just wanted to know whether you had a sense  
7 what you're asking for cost wise.

8 MR. BOUTON: No.

9 MS. TIERNEY: Another question. To the  
10 best of your ability if you take the site  
11 where VGS rolls its trucks from in an  
12 emergency, do you know anything about where  
13 those are located?

14 MR. BOUTON: VGS trucks?

15 MS. TIERNEY: Yes.

16 MR. BOUTON: I do not.

17 MS. TIERNEY: What I'm trying to get a  
18 sense of what distance would the company have  
19 to close in order to get to a given point in  
20 Addison County that your first responders can  
21 get to first in order to deal with a gas  
22 emergency. Do you have any sense of that?

23 MR. BOUTON: I'm not sure I understand  
24 your question. Are you asking where in

25 Addison County our first responders would be  
Capitol Court Reporters, Inc. (800/802) 863-6067

1           able to get to before Vermont Gas would be  
2           able to --

3                   MS. TIERNEY:  What I'm asking for is a  
4           sense of -- I understand from your testimony  
5           that you're concerned about protecting folks  
6           in Addison County from a risk that they have  
7           not to date faced because there hasn't been  
8           gas in your county.  I have in mind very  
9           freshly recent events in Vermont where  
10          infrastructure for travel were disrupted  
11          during an emergency such as Tropical Storm  
12          Irene where the best laid plans of mice and  
13          men would not have helped get people to say  
14          Rochester if there had been natural gas there.

15                   So I'm trying to understand whether your  
16          first responders are in a better position to  
17          get to these sites under certain catastrophic  
18          circumstances as opposed to the company who  
19          would have to roll their trucks from various  
20          points in Chittenden County.  Do you have any  
21          sense of that?

22                   MR. BOUTON:  In the Tropical Storm Irene  
23          scenario there are 17 separate fire  
24          departments within Addison County.  Each of  
25          the towns which are proposed to be served by  
Capitol Court Reporters, Inc. (800/802) 863-6067

1           this number -- this first proposal houses a  
2           fire department. Your example of the Town of  
3           Rochester were they to have a fire department  
4           they would have been there. The volunteers  
5           are there. The equipment is there. They  
6           don't need to ask for fire support. They  
7           could ask for fire support, but they would  
8           have it there on site already if the roads  
9           were in trouble.

10                     One of my concerns, I know their  
11           headquarters is just off of I-89 -- 189.

12                     MS. TIERNEY: In South Burlington.

13                     MR. BOUTON: I've driven Route 7.  
14           There's very few times when you can make it to  
15           Vergennes within a half hour. They will need  
16           to -- in order to meet this half hour schedule  
17           that we've agreed to they will need to staff  
18           in Addison County.

19                     MS. TIERNEY: I see. Thank you.

20                     MR. DUDLEY: Mr. Bouton, I just wanted  
21           to clarify something you had told Mr. Young  
22           earlier. I believe you made the statement  
23           that if there were an incident within the  
24           transmission line itself, that your first  
25           responders would not respond to that.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 MR. BOUTON: We would in fact respond.  
2 We would surround.

3 MR. DUDLEY: Okay.

4 MR. BOUTON: One of the nice things, and  
5 I'm hearing it from the gentleman here in  
6 Monkton, is if this line is 300 feet from the  
7 nearest structure, we're certainly not going  
8 to risk our lives to protect the line. We  
9 protect people. We protect property. The gas  
10 line I'm not particularly concerned about as  
11 long as it's not affecting homes, businesses,  
12 other structures, or people.

13 MR. DUDLEY: So if there were an  
14 incident within the transmission line itself,  
15 the way you see it your role is to just  
16 basically seal off the area?

17 MR. BOUTON: Yes.

18 MR. DUDLEY: And wait until VGS folks  
19 arrive. Is that it?

20 MR. BOUTON: Yes.

21 MR. DUDLEY: You also discussed earlier  
22 with Mr. Young the significance of response  
23 times, and does ease or difficulty of access  
24 figure into your planning in that respect?

25 MR. BOUTON: Ease or difficulty of  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 access?

2 MR. DUDLEY: Let me clarify it.

3 MR. BOUTON: Please do.

4 MR. DUDLEY: The VELCO right-of-way is a  
5 maintained right-of-way.

6 MR. BOUTON: Yes.

7 MR. DUDLEY: Most physical obstacles are  
8 removed by VELCO because they need to have  
9 access to their transmission line.

10 MR. BOUTON: Yes.

11 MR. DUDLEY: I'm assuming that that ease  
12 of access figures into your planning as far as  
13 being able to actually get to the site.

14 MR. BOUTON: Most local fire departments  
15 have all wheel drive, an all wheel drive  
16 vehicle. That's one of the things that we  
17 know. We occasionally need to go off site.

18 In the case of the VELCO transmission  
19 line we do not have plans to race out or  
20 really respond to a downed line within the  
21 VELCO corridor. We would block the road to  
22 make sure that people couldn't enter into  
23 those access points, and I would -- I trust  
24 that the VELCO line would have some automatic  
25 shutdowns as soon as it started arcing and

1           sparking.

2                   The one difference is at least in my  
3           community we're host to a substation. We do  
4           have plans on what to do within that  
5           substation. We know where the toxic chemicals  
6           that are stored there. We know and we've been  
7           to walk throughs with VELCO personnel to  
8           understand what our risks are.

9                   MR. DUDLEY: Thank you.

10                   BOARD MEMBER COEN: Let me just follow  
11           up. I think what Mr. Dudley was trying to ask  
12           you is from an emergency planning point of  
13           view is the VELCO line or corridor a better  
14           option to place the gas line than somewhere  
15           else because it's accessible and maintained or  
16           don't you care? Does it not matter for you?

17                   MR. BOUTON: There's a difference. The  
18           VELCO line is basically touching ground at two  
19           points across some very rough terrain, terrain  
20           which we would not be able to transverse  
21           without bringing in ATVs which, you know,  
22           firefighters we all got them.

23                   With a gas pipeline that would be a  
24           little bit different. It certainly would seem  
25           to make sense to me, and not qualified or  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 anything to say this, but the gentleman was  
2 saying you bundled these into an energy  
3 corridor. That sure sounds right to me.

4 BOARD MEMBER COEN: From an emergency  
5 planning point of view?

6 MR. BOUTON: Also from an emergency  
7 planning point of view.

8 BOARD MEMBER COEN: Thank you.

9 BOARD MEMBER BURKE: I was wondering,  
10 you seem and rightly concerned about response  
11 time, but yet I think in your answer earlier  
12 you indicated that you didn't speak to any of  
13 the departments that would have been  
14 substantially farther from South Burlington  
15 that already have the pipeline like Swanton or  
16 St. Albans; is that correct?

17 MR. BOUTON: I did not speak to Swanton  
18 and St. Albans, no.

19 CHAIRMAN VOLZ: Any followup to our  
20 questions? Yes, Mr. Diamond.

21 CROSS EXAMINATION

22 BY MR. DIAMOND:

23 Q. I believe you spoke to a potential preference  
24 to a corridor, an energy corridor. That's -- you're not  
25 speaking to that as an expert, are you?

Capitol Court Reporters, Inc. (800/802) 863-6067

1 A. Absolutely not.

2 Q. And you're not speaking to that with any  
3 particular placement of residential homes vis-a-vis the  
4 existing VELCO corridor?

5 A. No.

6 Q. So if there are a number of homes very close  
7 to where the pipeline would go, even if it was in the  
8 VELCO right-of-way might that be a concern as well?

9 A. It might be.

10 MR. DIAMOND: No further questions.

11 CHAIRMAN VOLZ: Thank you. Any  
12 redirect?

13 MS. HAYDEN: I actually do have a few  
14 questions.

15 CHAIRMAN VOLZ: Okay.

16 CROSS EXAMINATION

17 BY MS. HAYDEN:

18 Q. Hello, Mr. Bouton.

19 A. It's Bouton.

20 Q. Bouton. I'm sorry.

21 A. That's quite all right.

22 Q. Do your first responders respond to homes that  
23 have heating fuel as propane?

24 A. Yes.

25 Q. And what do they use for shut off? What kind  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 of tools do they use? Are they non-sparking?

2 A. They do not have these tools. I said that  
3 previously.

4 Q. Okay. So you're not currently responding to  
5 homes that are heated for any purpose with propane for  
6 first response purposes?

7 A. We are responding to some. It's not a very  
8 common fuel in Addison County. Fuel oil is much more  
9 common.

10 Q. Okay. And the --

11 A. I think in my previous testimony you mentioned  
12 that opportunities to weigh in on the influx of a new  
13 energy source have just really come within the last 20  
14 years or so. Prior to that first response communities  
15 were expected to take whatever was given to them. We  
16 really have struggled with that because whatever is given  
17 to us has changed drastically over the last 20 years.  
18 We're increasingly impacted by hazardous materials both  
19 once on fire and prior to fire. Our risks are much  
20 greater than they have ever been in the past. We are  
21 taking this opportunity to let the Board know that there  
22 are things they can do to assist us so we can better  
23 protect our communities.

24 Q. Were you here when Mr. Teixeira testified and  
25 Mr. Berger for the Department regarding their safety  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 concerns about having first responders essentially --  
2 especially with the meters responding and possibly making  
3 a determination of a false negative?

4 A. I was not here.

5 Q. Did you have -- have you spoken with Mr.  
6 Berger from the Department of Public Service who was the  
7 safety expert that the State hired to participate in this  
8 case?

9 A. I have not.

10 MS. HAYDEN: I have nothing further.

11 Thank you.

12 CHAIRMAN VOLZ: Thanks. Anybody else  
13 have questions besides Mr. Lougee? Okay. Go  
14 ahead.

15 REDIRECT EXAMINATION

16 BY MR. LOUGEE:

17 Q. Mr. Bouton, did you read Mr. Berger's  
18 testimony?

19 A. I did.

20 Q. And what would you say to his concern that you  
21 might be better off just using your nose to detect a  
22 hazard?

23 A. I believe that's not in his written testimony  
24 but was in the verbal testimony earlier this week.

25 Q. And assuming that he said that how would you  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 respond?

2 A. I guess poorly. I don't believe that using  
3 olfactory senses is a smart thing any more in this days  
4 and age no matter what the hazard is. I can remember, I  
5 don't know, 10, 12 years ago a firefighter dipping his  
6 finger into something to smell it being on the front page  
7 of the local paper and having about 60 percent of the  
8 firefighters at that point in time say oh my God was he  
9 stupid. We've come a long ways. We don't use those  
10 techniques any more. We want to -- we are professional.  
11 We want to do the best job we can with the lowest risk  
12 especially to ourselves.

13 Q. And do you think having these tools would give  
14 you as a responder the lowest risk to yourselves and to  
15 the property?

16 A. It would significantly improve our  
17 vulnerabilities. Will it give us the lowest risk? No.  
18 Not having gas would be a much lower risk. We are  
19 prepared to deal with having the gas. We want to make  
20 sure that we do our best we can to be prepared and train  
21 for it.

22 Q. And just briefly can you speak to the level of  
23 training that a basic firefighter and then up the chain  
24 receives?

25 A. Starting off I don't know what the actual  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 hourly numbers are now. It's as of two years ago the  
2 basic firefighter course, Firefighter 1, was around 130  
3 hours of training. I believe that's in excess of 200  
4 hours now. There's extensive training just to get to that  
5 point.

6 Most of the agencies that I deal with have in  
7 their standard operating guidelines that a new firefighter  
8 will complete that training level within their first year.  
9 Every agency that I know requires a minimum of annual  
10 training just to keep up. I know myself I put in over 100  
11 hours a year to my local fire department. We train a lot  
12 and we do the best we can to be professional about it. If  
13 we had the tools that we're talking about, they are not  
14 just going to sit in the truck and be ignored. They will  
15 be trained with.

16 MR. LOUGEE: No further questions.

17 CHAIRMAN VOLZ: Thank you. Mr. Bouton,  
18 I believe -- we appreciate your testimony and  
19 you're excused at this point.

20 MR. BOUTON: I'm good to go. Thanks.  
21 Have a good afternoon.

22 CHAIRMAN VOLZ: Thank you. I think  
23 we're up to Mr. Lind.

24 BOARD MEMBER COEN: Mr. Lind, want to  
25 raise your right-hand.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 PETER W. LIND,

2 Having been duly sworn, testified

3 as follows:

4 BOARD MEMBER COEN: Please state your  
5 name for the record.

6 MR. LIND: Peter W. Lind L-I-N-D.

7 DIRECT EXAMINATION

8 BY MR. SCIARROTTA:

9 Q. Good afternoon, Mr. Lind.

10 A. Good afternoon, Mr. Sciarrotta.

11 Q. Mr. Lind, would you please state your  
12 occupation for the record?

13 A. Yes. I'm an electrical engineer working for  
14 VELCO as a senior project manager.

15 Q. And do you have in front of you today the  
16 prefiled testimony and two exhibits marked VELCO PWL 1 and  
17 2 that were filed in this docket?

18 A. Yes, I do.

19 Q. Are those true and accurate copies?

20 A. Yes, they are.

21 Q. Do you have any changes or corrections to make  
22 at this time?

23 A. No, I do not.

24 MR. SCIARROTTA: VELCO would move for  
25 the admission of those documents.  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 CHAIRMAN VOLZ: Any objection? They are  
2 admitted.

3 (The Prefiled Testimony of Peter W. Lind  
4 was admitted into the record.)

5 (Exhibits marked VELCO PWL 1-2 were  
6 admitted into the record.)

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1                   CHAIRMAN VOLZ: Do you want to do some  
2                   live surrebuttal?

3                   MR. SCIARROTTA: Yes we did. We asked  
4                   Mr. Young.

5                   CHAIRMAN VOLZ: Go ahead.

6                   SURREBUTTAL

7 BY MR. SCIARROTTA:

8           Q.       Mr. Lind, would you please describe VELCO's  
9           interest in this docket with respect to the project?

10          A.       Yes. VELCO has easements and properties that  
11          are located along a significant portion of the corridor  
12          that's been studied for the Vermont Gas project mainly  
13          between Middlebury and Taft's Corner up in Williston.  
14          These easements were acquired in 1954 by Central Vermont  
15          Public Service Corporation.

16                   VELCO, which was formed in 1956, acquired them  
17          from Central Vermont in 1961. Those easements are  
18          perpetual and they are 150 foot in width. Subsequent to  
19          that purchase from Central Vermont Public Service VELCO  
20          acquired an additional 200 feet of easements between New  
21          Haven and Williston during the mid to late 60's and early  
22          70's during a time when load growth, electrical load  
23          growth, in the State of Vermont was in the 10 to 12  
24          percent range.

25                   So currently that portion of the right-of-way  
                  Capitol Court Reporters, Inc. (800/802) 863-6067

1 that is the 200 feet is not occupied with an electrical  
2 transmission line. Currently there's only one  
3 transmission line in the corridor from New Haven up to  
4 Williston operated at 115,000 volt.

5 Q. Would you please describe for the Board the  
6 conditions under which VELCO agreed to have the project  
7 co-located in the VELCO corridor?

8 A. Sure. VELCO has worked with Vermont Gas  
9 through this process, but our key thing was that our  
10 preference was for them not to be in the VELCO corridor,  
11 but understanding the desire and need for using co-located  
12 right-of-ways VELCO worked with Vermont Gas with the  
13 preference that if it did need to be in the VELCO corridor  
14 that it would be located on the westerly side instead of  
15 the easterly side, which is the expansion area that VELCO  
16 would use if there's a future transmission line.

17 Q. Okay, and what was the assumption used for a  
18 future VELCO build-out on the easterly side of the VELCO  
19 corridor and why was that chosen?

20 A. Well currently there is no specific project  
21 for this expansion area, but obviously increased  
22 reliability purposes or the transmission line or it could  
23 be load growth. Currently that is not the case. It could  
24 be for an economic project or it could be for some other  
25 public policy concern that there could be a project, a  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 transmission line.

2 Q. Can you describe to the Board what your  
3 involvement with this project has been? You touched on it  
4 a little bit. Just a little bit more specifically what  
5 your work on this project involved?

6 A. Yes. In the spring of 2012 I was assigned as  
7 a project manager to work on the project with Vermont Gas.  
8 I have been diligently working with Vermont Gas attending  
9 their project meetings since August of last year. They  
10 have weekly progress meetings and I have been  
11 participating in that in a function of providing  
12 information about VELCO's system and environmental data  
13 and lidar data and information to assist with development  
14 of their project.

15 Q. And have you met with the Palmers and Mr.  
16 Hurlburt regarding the project in VELCO's interest?

17 A. Yes I did a couple of weeks ago. I wanted to  
18 personally meet them and to meet them on their property.  
19 I did meet with Mr. Hurlburt and his brother David and I  
20 did walk their property. I wanted to visually see the  
21 property and understand their concerns and their issues,  
22 and so that was very beneficial. I was not there, and I  
23 told them that, on behalf of Vermont Gas and I actually  
24 had not been requested by VELCO to do it. I personally  
25 wanted to go and see the property to be knowledgeable of  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 the site. And with regards to the Palmers I did also go  
2 meet with them, both Nathan and Jane, and I wanted to meet  
3 them and see their property and understand their issues.

4 Q. And are you -- have you taken a look at the  
5 plans that Vermont Gas has filed in this docket including  
6 the original plans from December 2012?

7 A. Yes. One of the major functions that I have  
8 served is to review designs, routings, and I have reviewed  
9 all the documents that have been filed with regards to the  
10 plan design since December 20th.

11 Q. And about how much of the planned project,  
12 just in general rough numbers in miles, is planned to be  
13 located in the VELCO corridor?

14 A. Currently there's a little over 10 miles where  
15 the pipeline is physically located in the VELCO corridor,  
16 and currently there is I believe 18 locations where the  
17 gas pipeline crosses the VELCO corridor. In some places  
18 it is a double crossing where it's crossing underneath  
19 both a 115 corridor transmission line and also a 345 line.

20 Q. How many areas of the -- that co-location from  
21 the December 2012 plans did VELCO have a significant issue  
22 with?

23 A. Well significant, there were a number of  
24 general comments that we had on it obviously, but there  
25 was one location in particular that we did have a concern.  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 That was the first thing that we spoke about and that was  
2 at the Rotax Road location which is where the Palmers'  
3 property is located.

4 Q. Can you explain to the Board, and if you need  
5 to refer to the blown up exhibit EMS-1 rebuttal to Vermont  
6 Gas if that helps to explain why VELCO had an issue with  
7 the siting?

8 A. Sure. Can I borrow that? Can I stand up?  
9 Not everybody can see which I apologize.

10 BOARD MEMBER COEN: You're going to have  
11 to speak up though.

12 A. I will. Thank you. This is a document that  
13 was shown earlier in the week which Eileen Simollardes had  
14 which is identified as Vermont Gas phase one Chittenden  
15 and Addison Counties Vermont, reroute constraints in the  
16 Rotax area. The initial design that Vermont Gas Systems  
17 --

18 MS. TIERNEY: Can we identify the  
19 document for the record before this goes on?

20 MR. KREIS: VGS Surrebuttal EMS 1.

21 MR. LIND: Yes, it is. Thank you.

22 MS. TIERNEY: Sorry. Please proceed.

23 A. (Mr. Lind) The original design that Vermont  
24 Gas Systems submitted to the Public Service Board in  
25 December of 2012 had the proposed gas pipeline located  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 coming from the north off the Norris property near VELCO  
2 structure 180, 181 running along the westerly corridor of  
3 the VELCO right-of-way and in this area.

4 My understanding was that they were going to  
5 be doing a horizontal directional drill, and the issue  
6 that VELCO had was that this drilling, once it passed  
7 through the wetland areas and also underneath a stream,  
8 came up into the middle of the VELCO right-of-way, which  
9 is 350 foot wide here and at that point -- and that was a  
10 concern because it was in the middle of the right-of-way.

11 At that point the proposed gas pipeline then  
12 went longitudinal down the middle of the right-of-way down  
13 between structures 190 and 191. So where it entered was  
14 around structure number 186 and then they would do an open  
15 cut down through to I believe 190, 191. That distance was  
16 about 1500 feet, and so that would be in the VELCO  
17 corridor and that was the main concern that we had being  
18 that for future development and also any of that area,  
19 because this is not a straight line, because this is a dog  
20 leg, there are issues with how the structures would be  
21 installed there. It would be difficult with guy wires and  
22 also with not knowing what design would be there it may  
23 need to require steel structures that could be taller for  
24 aesthetic purposes and what have you.

25 Q. Mr. Lind, when you say structures you're  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 referring to future electrical transmission structures?

2 A. That is correct. Is that sufficient?

3 Q. That's fine for me. Yes.

4 CHAIRMAN VOLZ: And so that was the  
5 reason why VELCO didn't want that alternative?

6 MR. LIND: Yes and that was the first  
7 one. Okay. So that was the first one that  
8 was proposed and we provided comments on that.  
9 Then the next design came which was then the  
10 start of coming over toward Mr. Palmer's  
11 property.

12 CHAIRMAN VOLZ: If they kept it  
13 underground, further underground, it was the  
14 trenching that was the problem or just the  
15 mere location?

16 MR. LIND: The location where it came up  
17 in, it would have been located in the middle  
18 of our 350 foot --

19 CHAIRMAN VOLZ: It came above ground at  
20 that point. Is that the problem?

21 MR. LIND: It's located in the middle,  
22 yes, but it would come above and it would be  
23 physically located in the middle.

24 CHAIRMAN VOLZ: And if they kept it  
25 along the edge of the right-of-way the -- that  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 would be the western edge, you would have been  
2 okay?

3 MR. LIND: Well it's a constrained area.  
4 I mean there's a lot of issues here. Both  
5 VELCO constraints, we understand there's  
6 archaeological, there's wetlands, there's  
7 streams, there's homes. It is a very  
8 difficult area regardless of what you're  
9 trying to put in here, but from VELCO's  
10 perspective we expressed what our concerns  
11 were trying to protect the asset that we had  
12 there, and knowing that having something in  
13 that section in that area would create some  
14 significant cost issues and for future design  
15 in that area.

16 MR. YOUNG: Your concern, as I  
17 understand it as you just expressed it, was  
18 that the line would -- the trenched portion of  
19 the line would be on the southeast side of the  
20 existing VELCO line running from approximately  
21 pole 186, as you said, to between poles 190  
22 and 191; is that correct?

23 MR. LIND: Yes. The issue was -- is  
24 that it was located in the middle for 1500  
25 feet, right basically in the middle running

Capitol Court Reporters, Inc. (800/802) 863-6067

1           toward an angle in the right-of-way.

2           MR. YOUNG: And had it been to the  
3           northwest side you would not -- you described  
4           it as constrained, but you would not have had  
5           the same concern. It was the fact it was to  
6           have the southeast side of the existing line?

7           MR. LIND: In our desires we have wanted  
8           -- we have offered and agreed and our MOU is  
9           very clear with regards to locating the  
10          pipeline, our preference is to locate it no  
11          more than 10 feet inside of our corridor for  
12          co-location purposes. So that's preferably on  
13          the west side. The east side was not used,  
14          but that either side -- but the preference is  
15          on the west side.

16          MR. YOUNG: Would location on that  
17          portion of the dog leg, and I'm going again as  
18          you described it from pole 186 of the line  
19          down to between 190 and 191, would that  
20          prevent the installation of a second  
21          transmission line within that corridor or  
22          simply make it somewhat more difficult because  
23          you had to work around the line?

24          MR. LIND: Could you state that once  
25          more so that I can clearly understand what  
Capitol Court Reporters, Inc. (800/802) 863-6067

1           you're asking?

2                   MR. YOUNG: We're talking about -- I'll  
3           break it up into pieces. Just in terms of the  
4           segment that we're talking about between your  
5           pole 186, VELCO's pole 186 and between 190 and  
6           191, which was what you had originally  
7           described, correct?

8                   MR. LIND: Correct.

9                   MR. YOUNG: For that segment was the  
10          concern that VELCO could not subsequently put  
11          in a second transmission line and still stay  
12          within its existing right-of-way through  
13          easements or just that it would be more  
14          difficult?

15                  MR. LIND: As designed with the pipeline  
16          in the middle?

17                  MR. YOUNG: With the pipeline where  
18          Vermont Gas had proposed it.

19                  MR. LIND: Okay. It's a combination of  
20          both physical separation and also the issue of  
21          addressing the cathodic protection of the  
22          grounding system. So it's a combined effort.

23                  Vermont Gas has done an extensive  
24          analysis with regards to the ACE mitigation  
25          and cathodic protection which will alleviate  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 the issue on the grounding issue, but  
2 predominantly it is the physical location and  
3 it is on the issue of designing around that.

4 It's not -- I'm not a designer so I'm  
5 not a transmission designer, but it does  
6 present a constraint.

7 MR. YOUNG: What I'm trying to  
8 understand is would it make it impossible to  
9 stay within the corridor or just more  
10 challenging?

11 MR. LIND: For VELCO's future --

12 MR. YOUNG: For VELCO's future potential  
13 installation of a -- let's assume a 345 line  
14 as opposed to 115 because I think the  
15 clearances are a little larger.

16 MR. LIND: I don't know the definitive  
17 answer, but I believe we can -- usually can  
18 work around things, but I can't state that  
19 explicitly what it would be.

20 MS. TIERNEY: Mr. Lind, do you know for  
21 a fact that that 350-foot corridor could not  
22 be expanded if need be to accommodate VELCO's  
23 future needs?

24 MR. LIND: It's currently 350 feet.

25 MS. TIERNEY: Understood.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 MR. LIND: And currently it's -- there's  
2 open area of 200 feet that is unused at this  
3 point.

4 MS. TIERNEY: My question was do you  
5 know of any reason why it could not be  
6 expanded from the 350 feet?

7 MR. LIND: You do have houses that are  
8 on both sides. Some of them are 15 feet from  
9 the edge of the VELCO corridor, some are 50  
10 feet, some are 75 feet. So there are  
11 constraints there.

12 MS. TIERNEY: There are constraints, but  
13 do you know for a fact that VELCO could not  
14 obtain an expansion of the 350-foot width of  
15 that corridor if need be to accommodate some  
16 of the future growth that you're discussing  
17 here in a strategic way? You don't know that;  
18 is that correct?

19 MR. LIND: That's correct.

20 MS. TIERNEY: Do you have other  
21 corridors of this width in the State of  
22 Vermont for right-of-ways?

23 MR. LIND: Yes.

24 MS. TIERNEY: Do you have pipelines  
25 located in any of them?

Capitol Court Reporters, Inc. (800/802) 863-6067

1 MR. LIND: I believe as far as Vermont  
2 Gas has a location where they cross our  
3 transmission line. I don't believe we have it  
4 longitudinal in the right-of-way. It's more a  
5 crossing.

6 MS. TIERNEY: I see. You have no other  
7 corridor of this width where a pipeline passes  
8 through the middle of the right-of-way; is  
9 that correct?

10 MR. LIND: Not to my knowledge, no.

11 MS. TIERNEY: Do you have narrower  
12 rights-of-way in the State of Vermont where a  
13 pipeline passes through?

14 MR. LIND: Not to my knowledge.

15 MS. TIERNEY: Okay. Thank you.

16 BOARD MEMBER COEN: Mr. Lind, please sit  
17 down.

18 MR. LIND: Thank you.

19 BOARD MEMBER COEN: I need to understand  
20 better this east-west thing. Your preference  
21 is to have, if the gas line happens within the  
22 corridor, 10 feet in on the western side of  
23 the corridor.

24 MR. LIND: If it needs to be in the  
25 VELCO corridor, the preference would be on the  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 westerly side where we would not be expanding.

2 BOARD MEMBER COEN: Right. Now the  
3 easterly side you're saving that for possible  
4 expansion?

5 MR. LIND: Well that -- yes.

6 BOARD MEMBER COEN: So I need to  
7 understand why. What's the difference if it's  
8 10 feet in on the east or on the west? It's  
9 not encroaching now on whatever structures are  
10 in on the west side with 10 feet. What's the  
11 difference if it comes in 10 feet on the east  
12 side?

13 MR. LIND: And we have agreed to that,  
14 that it could be either side, but our  
15 preference is for the westerly side. Not that  
16 the east is not allowed, it's just that it's  
17 not preferred.

18 BOARD MEMBER COEN: It's not preferred.  
19 Okay. So it could come in on the east side of  
20 the Rotax Road?

21 MR. LIND: VELCO would be willing to  
22 look at options.

23 BOARD MEMBER COEN: Thank you.

24 CHAIRMAN VOLZ: But what you didn't like  
25 was it being in the middle?

1 MR. LIND: The middle is very  
2 problematic.

3 CHAIRMAN VOLZ: Okay. And just a fine  
4 point on this or to restate it, VELCO doesn't  
5 have any specific plans for the eastern side  
6 of the right-of-way right now. It's just  
7 protecting that part of the right-of-way in  
8 case it's needed in the future?

9 MR. LIND: Yes. It's an asset that was  
10 acquired by electric ratepayers and preserved  
11 for the future design in that area.

12 CHAIRMAN VOLZ: Okay. Thank you. Do  
13 you have more questions for this witness  
14 because we interrupted?

15 MR. SCIARROTTA: I would like to offer  
16 him for cross exam, but I think you have  
17 already done that.

18 CHAIRMAN VOLZ: Thank you. And I  
19 understand Mr. Palmer and Mr. Diamond had  
20 actually signed up for cross so I'll let  
21 either of you go and then I'll ask others if  
22 they have followup to our questions after  
23 that.

24 MR. DIAMOND: No questions.

25 CHAIRMAN VOLZ: Okay. Mr. Palmer.  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 MR. PALMER: Always.

2 CROSS EXAMINATION

3 BY MR. PALMER:

4 Q. So I did notice -- good afternoon or --  
5 afternoon.

6 A. Good afternoon.

7 Q. On the drawing there's a reference to the  
8 McGuinness well. Is that actually within the corridor or  
9 is it outside?

10 A. That's what's represented on the drawing. I  
11 can't testify to that, but I do see that on the drawing.  
12 It indicates that it's inside the VELCO corridor.

13 Q. And it indicates that it's stuck up next to a  
14 guy wire?

15 A. Well there's eight guy wires on that structure  
16 190. So there are a number of guy wires to hold the  
17 structure in place.

18 Q. And so that guy wire would indicate that there  
19 are poles right there?

20 A. Yes. It's a three pole angle structure.

21 Q. So that's got to be very close to the well?

22 A. I would assume yes, but I don't have that in  
23 front of me right now.

24 Q. And you probably don't know if that spring was  
25 there before or after the VELCO corridor?

Capitol Court Reporters, Inc. (800/802) 863-6067

1 A. No, I do not.

2 Q. So probably if you do any pole work around  
3 there, that could compromise that spring there?

4 A. Well I would assume that we have it marked on  
5 our drawings if it's a known well or spring.

6 Q. And the Stacy Bailey house that's on the other  
7 side, that was built after the VELCO corridor?

8 A. Bailey I believe was built in 1996. In that  
9 era.

10 CHAIRMAN VOLZ: So is that after the  
11 corridor?

12 MR. LIND: Yes.

13 BOARD MEMBER COEN: What is the date of  
14 the corridor?

15 MR. LIND: The date of the corridor is  
16 1954.

17 BY MR. PALMER:

18 Q. Most of those houses went in after the  
19 corridor. So basically what you're saying is the problem  
20 is they wanted to cut across the corridor. So if they  
21 were to horizontally drill through Norm and Norris's and  
22 then stop before the brook and change their direction  
23 there staying along the west side of the VELCO corridor,  
24 that would be more acceptable?

25 A. VELCO's concern was being in the middle of our  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 corridor.

2 Q. So if it stayed to the west side --

3 A. Yes.

4 Q. -- constructibility would still be there?

5 A. From VELCO's perspective. Knowing that  
6 there's a lot of other constraints.

7 Q. So that's the biggest issue is that it is  
8 cutting across the corridor though. If that could be  
9 alleviated, that would cure the problem there?

10 A. From the original design of December 20th.

11 Q. I think that takes care of me. So is the  
12 VELCO corridor down on Hollow Road, do you know is that  
13 right up next to the Menard's house?

14 A. I can't speak to that. I'm not sure.

15 Q. You're not sure about that. Thank you.

16 CHAIRMAN VOLZ: Thank you. Any followup  
17 to our questions? Ms. Levine.

18 MS. LEVINE: Just a couple.

19 CROSS EXAMINATION

20 BY MS. LEVINE:

21 Q. Good afternoon. I'm Sandra Levine,  
22 Conservation Law Foundation. You acknowledge there is a  
23 preference for co-location of utility infrastructure,  
24 correct?

25 A. Yes. My statement is VELCO supports that.  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 Q. And so that VELCO supports that and so that  
2 would suggest that you would use reasonable efforts to  
3 provide for location of both a gas line and a transmission  
4 line within the same right-of-way?

5 A. Well again as I stated originally our  
6 preference is that it is not in the VELCO corridor, but we  
7 understand public policy with regards to utilizing common  
8 corridors.

9 Q. So it's not VELCO's preference to co-locate,  
10 but you acknowledge it's the public's preference to  
11 co-locate?

12 A. VELCO understands that there's multiple  
13 constraints in certain areas and we've agreed to co-locate  
14 where necessary in constrained areas.

15 Q. I'm sorry. You've agreed to -- you just said  
16 you would agree to co-locate where necessary, but you  
17 previously said you recognized a preference for  
18 co-location.

19 A. A public policy preference.

20 Q. And that VELCO would accommodate that public  
21 policy preference for co-location, correct?

22 A. I believe the answer is yes.

23 MS. LEVINE: Thank you.

24 BOARD MEMBER COEN: Mr. Lind, in regard

25 to your discussions with Mr. -- with Mr.  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 Hurlburt and his brother we have been  
2 presented in his testimony and also from VGS  
3 an alternative route possibly along the Old  
4 Stage Road, and I just want -- while you are  
5 on the stand I want to confirm that that's an  
6 alternative that is acceptable to VELCO?

7 MR. LIND: I believe it was presented  
8 yesterday.

9 BOARD MEMBER COEN: Yes.

10 MR. LIND: I've seen it and I understand  
11 what's being proposed. It's my understanding  
12 is yes co-locating on the easterly side of the  
13 VELCO corridor in that area would be something  
14 that we would agree with.

15 BOARD MEMBER COEN: Thank you.

16 MR. LIND: As long as it's 10 foot  
17 maximum into the right-of-way. That's our  
18 preference.

19 BOARD MEMBER COEN: Thank you.

20 CHAIRMAN VOLZ: Any more followup after  
21 us for this witness? Okay. Any redirect?

22 MR. SCIARROTTA: No thank you, Mr.  
23 Chair.

24 CHAIRMAN VOLZ: Thank you. You're  
25 excused. Thank you, Mr. Lind.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 Ms. Dillon, we don't have any questions  
2 for Mr. Quackenbush and apparently no one else  
3 does either. Have we put in his testimony  
4 already? We haven't, right?

5 MR. DUGGAN: No. I provided a copy to  
6 the court reporter.

7 CHAIRMAN VOLZ: Can we do that now?

8 MS. DILLON: Mr. Quackenbush has  
9 provided direct testimony June 14, 2013 and  
10 rebuttal testimony dated 8/14, 2013, as well  
11 as a direct exhibit ANR AQ-1. ANR moves for  
12 the admission of his direct testimony and  
13 exhibit ANR AQ-1 and rebuttal testimony.

14 CHAIRMAN VOLZ: Any objection? Okay.  
15 They are admitted.

16 (The Prefiled Testimony of Alan  
17 Quackenbush was admitted into the record.)

18 (Exhibit ANR AQ-1 was admitted into the  
19 record.)

20

21

22

23

24

25

1                   CHAIRMAN VOLZ: At this point I think we  
2                   have just Mr. Poor left and we thought we  
3                   would take a short break and then do him after  
4                   the break. Is that all right?

5                   MS. PORTER: Perfect. Thank you.

6                   CHAIRMAN VOLZ: We'll take a 15-minute  
7                   break and then we'll resume at 3:25.

8                   (Recess.)

9                   CHAIRMAN VOLZ: We're back on the  
10                  record. We would like to get started. One  
11                  preliminary matter we have for Vermont Gas.  
12                  Ms. Hayden, in light of Mr. Lind's testimony  
13                  just now we have some more questions about the  
14                  VELCO right-of-way issue, and so we were  
15                  wondering who the appropriate witness from  
16                  Vermont Gas would be to talk about what  
17                  Vermont Gas's views are about where they can  
18                  put the line or where they can't put it in the  
19                  VELCO right-of-way. We might want to have  
20                  somebody back tomorrow, Mr. Heintz or whoever  
21                  is the right one.

22                  MS. HAYDEN: I think that would be Mr.  
23                  Heintz and we can make him available tomorrow.  
24                  We'll have somebody available tomorrow.

25                  CHAIRMAN VOLZ: That would be terrific.  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 BOARD MEMBER COEN: Looks like there's  
2 going to be a break in the morning.

3 CHAIRMAN VOLZ: Thank you. All right.  
4 Ms. Porter, we're up to your witness. Do you  
5 want to introduce his testimony?

6 BOARD MEMBER COEN: Let me swear him in.

7 CHAIRMAN VOLZ: Too much coffee.

8 MS. PORTER: I was waiting my turn.

9 BOARD MEMBER COEN: Raise your  
10 right-hand.

11 Walter TJ Poor,

12 Having been duly sworn, testified  
13 as follows:

14 BOARD MEMBER COEN: Thank you. Please  
15 state your name for the record.

16 MR. POOR: Walter Poor.

17 DIRECT EXAMINATION

18 BY MS. PORTER:

19 Q. Good afternoon, Mr. Poor. Could you please  
20 state your occupation?

21 A. I'm an Utilities Economic Analyst for the  
22 Public Service Department of Vermont.

23 Q. And I think you have a couple of different  
24 documents in front of you. Is one of them entitled Direct  
25 Testimony of Walter TJ Poor dated June 14th?  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 A. Yes, it is.

2 Q. And was that prepared by you or under your  
3 direction?

4 A. Yes, it was.

5 Q. Is it true and accurate to the best of your  
6 knowledge?

7 A. Yes, it is.

8 Q. Any changes or clarifications to make?

9 A. No.

10 Q. Do you have a second document entitled  
11 Rebuttal Testimony of Walter TJ Poor dated August 14,  
12 2013?

13 A. Yes, I do.

14 Q. And there are three exhibits attached thereto  
15 marked WP 1, WP 2, and now -- let's wait on that one.

16 A. Yes, I have that document and the two  
17 exhibits.

18 Q. Do you have any corrections or additions to  
19 your rebuttal testimony?

20 A. Yes, I do. I have two corrections. First, as  
21 Dr. Stanton pointed out in her surrebuttal testimony I  
22 made a calculation error in Table 1 that was included in  
23 my rebuttal testimony. That table appears on page 24.  
24 I've created a revised Table 1. It is marked exhibit DPS  
25 WP Replacement 1 and that table corrects the error.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 Q. And for the record I've handed these out in  
2 advance to the parties and am now handing them to the  
3 Board.

4 Does the error you just referenced, does it  
5 affect any of your other calculations or conclusions  
6 stated in your testimony?

7 A. No, it does not.

8 Q. And was this error also evidenced in your  
9 rebuttal exhibits?

10 A. Yes, it was.

11 Q. And could you explain that a little bit?

12 A. The Table 1 numbers come from the third page  
13 -- the third tab of exhibit DPS WP 1 and the third tab of  
14 exhibit DPS WP 2, the highlighted yellow cells in the  
15 section that's titled Cumulative Impact. Those portions  
16 of the rebuttal exhibits should be corrected to be  
17 consistent with the revised Table 1.

18 Q. And are those the only portions of your  
19 rebuttal exhibits that need to be changed in the light of  
20 this correction?

21 A. No. In light of that correction it's the only  
22 one, but I have a second correction.

23 Q. You have a second correction to make to the  
24 exhibits or to the testimony?

25 A. To the testimony.  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 Q. Okay. Could you please state that for the  
2 record?

3 A. On page 13 of my rebuttal testimony at line 21  
4 I describe the industrial customer savings, cost of energy  
5 efficiency programs, the assumption -- the assumptions  
6 that went into the economic modeling as the average of the  
7 historical VGS cost per MMBTU and the Efficiency Vermont  
8 cost per MMBTU as those costs were provided to the thermal  
9 efficiency task force.

10 Since then I've realized that that  
11 characterization was incorrect. The task force actually  
12 utilized the VGS estimated dollar per MMBTU for all large  
13 customers which was approximately \$50 per MMBTU plus a  
14 program administration cost of about \$7.50 per MMBTU. So  
15 the assumption used in the economic modeling was not the  
16 same as was provided to the thermal efficiency task force,  
17 but the 75 dollar per MMBTU value that was used as an  
18 assumption here is still a reasonable assumption for  
19 future costs of efficiency assuming deep comprehensive  
20 savings on the order that we projected.

21 Q. Thank you. Are there any other corrections or  
22 additions that you would like to make?

23 A. No.

24 MS. PORTER: With that explanation and  
25 with apologies for any confusion that this may  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 have caused I would like to offer Mr. Poor's  
2 direct testimony, his rebuttal testimony, as  
3 well as exhibits DPS WP 1, DPS WP 2, and DPS  
4 WP Replacement 1 into evidence.

5 BOARD MEMBER BURKE: As corrected by his  
6 testimony.

7 MS. PORTER: Right. The exhibit.

8 CHAIRMAN VOLZ: She's only asking for  
9 the corrected exhibits be put in; is that  
10 correct?

11 MS. PORTER: It's his two original  
12 exhibits, a replacement exhibit that corrects  
13 a table in the testimony.

14 BOARD MEMBER BURKE: And the corrections  
15 that flowed over from that?

16 MS. PORTER: Yes, sir, and if anyone  
17 would like to see the underlying spreadsheets,  
18 the cells, that kind of thing, that can be  
19 provided. We did not think that would  
20 necessarily add to the clarity, but we'll be  
21 happy to provide any additional documentation  
22 that any party or Board would like.

23 CHAIRMAN VOLZ: Okay. Thank you. Any  
24 objection? All right. Those things are  
25 admitted.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 (The Prefiled Testimony of Walter TJ  
2 Poor was admitted into the record.)

3 (Exhibits marked DPS WP 1-2, DPS WP  
4 Replacement 1 were admitted into the record.)

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 MS. PORTER: Mr. Poor is available for  
2 questions.

3 CHAIRMAN VOLZ: You didn't have any  
4 additional live surrebuttal?

5 MS. PORTER: No, sir.

6 CHAIRMAN VOLZ: Okay. Good. Ms.  
7 Levine, are you ready?

8 MS. LEVINE: Yes.

9 CHAIRMAN VOLZ: Good.

10 CROSS EXAMINATION

11 BY MS. LEVINE:

12 Q. Good afternoon, Mr. Poor.

13 A. Good afternoon.

14 Q. To clarify one thing concerning questions that  
15 your attorney just asked you, the Table 1 appears on page  
16 8 of your rebuttal testimony; is that correct?

17 A. Yes. That is correct.

18 Q. Thank you. Mr. Poor, you're not a climate  
19 scientist, are you?

20 A. No, I'm not.

21 Q. You have experience and expertise in energy  
22 efficiency based on your work at the Department for the  
23 past seven years?

24 A. That's correct.

25 Q. And on page 9 lines 6 to 18 of your direct  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 testimony you address the greenhouse gas emissions impacts  
2 of this project. Do you see that?

3 MS. PORTER: What page?

4 BY MS. LEVINE:

5 Q. I'm sorry. Page 9 lines 6 to 18.

6 A. Yes.

7 Q. And your analysis was limited to a burner tip  
8 analysis only comparing emissions relative to fossil fuels  
9 currently used; is that correct?

10 A. That section of the testimony was limited to  
11 that, yes.

12 Q. And on page 4 lines 16 through 26 of your  
13 rebuttal testimony you look there at the analysis that had  
14 been presented by Mr. Bluestein and Dr. Stanton; is that  
15 correct?

16 A. That's correct.

17 Q. And you would agree that this project will  
18 likely be in place for 50 to 100 years, correct?

19 A. I'm not sure I agree with that premise.

20 Q. How long do you believe that the project will  
21 be in place for?

22 A. Well I don't know. I think the infrastructure  
23 will be in place throughout certainly the near term and in  
24 terms of the next few decades. Beyond that I'm not sure.

25 The pipelines will still be there. I'm not an expert on  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 decommissioning process.

2 Q. Do you have any evidence or data to dispute  
3 Vermont Gas's representations that the project would be in  
4 place for 50 to 100 years?

5 A. No, I do not.

6 Q. Do you agree that it's valuable to evaluate  
7 the emissions, the greenhouse gas emissions, of a project  
8 over the expected lifetime of that project?

9 A. Yes, I do.

10 Q. And to evaluate the greenhouse gas emissions  
11 it would be important to do that relative to the  
12 alternatives that the project may displace; is that  
13 correct?

14 A. Yes.

15 Q. And your analysis, as well as Mr. Bluestein's,  
16 assumed that all gas will replace oil or propane?

17 A. Well let me be clear that I did not conduct a  
18 life cycle greenhouse gas analysis. I manipulated the  
19 analysis that Dr. Stanton submitted as testimony. That  
20 analysis compares -- compared originally the life cycle  
21 natural gas emissions from the project to burner tip fuel  
22 oil and propane, and Mr. Bluestein's analysis compared  
23 natural gas as a fuel delivered by Vermont Gas to fuel oil  
24 and biofuel, but did not put it in the context of the  
25 project.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 Q. Is it fair to say that neither you nor Mr.  
2 Bluestein provided any analysis of use of gas to replace  
3 anything other than oil or propane?

4 A. I did not. Mr. Bluestein compared biofuels as  
5 well.

6 Q. I want to ask you some questions about your  
7 testimony regarding energy efficiency improvements. I  
8 believe this is in your direct testimony at page 7.

9 A. Okay. I'm there.

10 Q. You make some recommendations regarding energy  
11 efficiency improvements including recommending an audit be  
12 provided at the time of conversion; is that correct?

13 A. That's correct.

14 Q. Do you agree that at the time of conversion is  
15 also a good time to evaluate other opportunities for  
16 deeper efficiency retrofits?

17 A. I strongly agree with that.

18 Q. And that that would be part of the analysis of  
19 what level of efficiency investment would be needed to  
20 acquire all reasonably available cost effective energy  
21 efficiency savings?

22 A. Yes.

23 Q. Do you agree that similarly that the time of a  
24 major new fossil fuel infrastructure when a new fossil  
25 fuel infrastructure is put in place presents a good

Capitol Court Reporters, Inc. (800/802) 863-6067

1 opportunity to evaluate systemwide deep retrofits that may  
2 be available?

3 A. What do you mean by systemwide? Vermont Gas  
4 system?

5 Q. Yes.

6 A. Not necessarily. I don't necessarily think  
7 that now is a better time than any other to evaluate the  
8 potential for retrofits in Franklin County, for instance.  
9 I do think that now generally beyond the scope of this  
10 project is a good time to do an energy efficiency  
11 potential study as I described in my testimony, and that I  
12 would expect to be taken up in Docket 7676.

13 Q. As a staff person for the Public Service  
14 Department your work focuses on improving energy  
15 efficiency and reducing greenhouse gas emissions; is that  
16 correct?

17 A. That's a portion of my responsibilities.

18 Q. And you would support efforts to improve  
19 efficiency more broadly and reduce greenhouse gas  
20 emissions?

21 A. Yes.

22 Q. I have a couple of questions concerning least  
23 cost planning which was an issue raised by at least one of  
24 the folks commenting at the public hearing. Did you  
25 attend the public hearing for the Vermont Gas Systems?

Capitol Court Reporters, Inc. (800/802) 863-6067

1           A.        I wasn't able to attend, but I did watch the  
2 video stream of most of it.

3           Q.        Have you seen a full life cycle analysis  
4 specific to this project to show that it's a least cost  
5 option?

6           A.        Well in terms of the least cost analysis  
7 that's required by 218(c) I think this is a different  
8 analysis than is done traditionally with the utilities in  
9 terms of what we're -- the context we're used to being in  
10 is there is a capacity constraint, for instance, and the  
11 utility has a number of options to evaluate in alleviating  
12 that constraint for its customers, and the least cost  
13 analysis that needs to be done needs to evaluate all of  
14 those options, and this is a little different situation in  
15 terms of it's an expansion project and the -- the scope of  
16 options is framed differently I guess in this context.

17                    So to answer your question you asked if there  
18 was -- if I had seen a least cost analysis provided in  
19 this. I think the analysis that Vermont Gas provided  
20 initially was consistent with what has previously been  
21 provided to the Board. I think the improvements to the  
22 analysis that have happened through this proceeding  
23 through the testimony of Dr. Stanton, myself, Dr.  
24 Bluestein have improved that analysis.

25           Q.        Have you seen a full life cycle analysis  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 specific to this project that shows it is the least cost  
2 option?

3 A. No. In terms of the -- all of the options the  
4 life cycle analysis for greenhouse gas emissions hasn't  
5 compared all of the fuel choices.

6 MS. LEVINE: Thank you. That's all I  
7 have.

8 CHAIRMAN VOLZ: Mr. Saudek, you signed  
9 up for questions for this witness. Why don't  
10 you go ahead.

11 CROSS EXAMINATION

12 BY MR. SAUDEK:

13 Q. Good afternoon, Mr. Poor. Throughout your  
14 original testimony you indicate that this undertaking is  
15 consistent with the Comprehensive Energy Plan; is that  
16 correct?

17 A. That is correct.

18 Q. At the time that you published the plan you  
19 were aware of Vermont Gas Systems plans to build at least  
20 this section of the pipeline, weren't you?

21 A. Well they hadn't been filed yet obviously, but  
22 we were aware of discussions taking place that had been in  
23 previous integrated resource plans. Yes, the writing was  
24 on the wall so to speak.

25 Q. What analysis did you conduct to assure  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 yourselves that this would not inhibit the realization of  
2 your goal of 90 percent renewables in the year 2050?

3 A. Well we hired a firm, Synapse Energy  
4 Economics, along with they had some partner firms to do an  
5 analysis of the effect of the electric and fuel sectors,  
6 analysis of the effect of the plan.

7 More specifically, as I put in my testimony a  
8 simple calculation shows that if you assumed total Vermont  
9 energy consumption stayed the same, that this project as  
10 proposed would increase natural gas's share of the total  
11 by -- from 5.9 percent to 6.6 percent. That's before you  
12 take into account energy efficiency programs, and more  
13 broadly there was a qualitative analysis done when we look  
14 at the goals for energy planning in Vermont that are  
15 articulated in 30 V.S.A. 202 that describe a number of  
16 competing objectives; adequacy of supply, security,  
17 reliability, that our energy supply's environmentally  
18 sound, affordable, ensuring economic vitality of the  
19 state, and so those are a lot of competing objectives, and  
20 when we looked at the numbers we're comfortable that the  
21 path outlined in the energy plan, which includes specific  
22 recommendations to expand natural gas, would allow us to  
23 meet our goals.

24 Q. So did you -- I'm going to ask the question  
25 essentially again in a different way. Did you not do an  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 analysis that centered on whether there was a threat to  
2 meeting the 10 percent and 90 percent goal posed by this  
3 fossil fuel system?

4 A. I did not personally conduct that analysis.

5 Q. Did anyone to your knowledge?

6 A. Yes. I think that we looked at the potential  
7 expansion of natural gas and I can't point to where the  
8 numbers are, but we were comfortable that -- and when I  
9 say we I mean the Department was comfortable that the  
10 expansion of natural gas would not threaten meeting the  
11 goal.

12 Q. Would you agree with me that since hydraulic  
13 fracturing has expanded and new methods of bringing gas  
14 out of shale have been applied the question of greenhouse  
15 gases and studies of greenhouse gases and those processes  
16 is a developing field and a dynamic field?

17 A. Yes. I would agree with that.

18 Q. And it is the focus of many organizations and  
19 experts at this point, isn't it?

20 A. That is correct.

21 Q. Would you say that there are -- it's a  
22 changing landscape to the point where there are wildly  
23 differing reports on the subject within the last two or  
24 three years?

25 A. Yes. That's fair. That is a fair --  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 Q. I think you said as much in your testimony?

2 A. Yes.

3 Q. Now this hasn't been around very long, has it,  
4 this phenomenon of this expanded drilling and hydraulic  
5 fracturing. It's been since you have been at the  
6 Department?

7 A. The expansion of hydraulic fracturing as a  
8 source for natural gas in this country has certainly  
9 exponentially grown in recent years.

10 Q. In -- it's also being currently intensively  
11 studied by the EPA, isn't it?

12 A. That's correct. They released the first of  
13 their reports this week in fact.

14 Q. And do you expect there are more to come?

15 A. I think that this week's was the first of 16  
16 reports that the EPA is going to issue.

17 Q. And over how long a time might that be?

18 A. I'm not sure exactly. 2013 and 2014. So the  
19 next year or so.

20 Q. I see. So maybe within the next two or three  
21 years anyway?

22 A. Yes.

23 Q. In the opinion of the Department of Public  
24 Service is there such urgency to this project that it  
25 can't be delayed say a couple of years until the science  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 is more developed and precise in this area?

2 A. I don't know that there's reason to delay.  
3 The analyses that have developed throughout the course of  
4 this proceeding have shown a range of emissions under a  
5 number of different assumptions, and that the benefits  
6 from natural gas are -- from greenhouse gases are likely  
7 to be positive, and so I'm not sure what the benefit of  
8 waiting would be.

9 Q. Well on page 11 lines 11 and 12 you say that a  
10 couple of reports, at least a couple, are intended to show  
11 the uncertainty inherent in the current life cycle  
12 greenhouse gas emissions analysis methodologies.

13 A. That's correct.

14 Q. And would you agree do you feel there's still  
15 uncertainty about those?

16 A. Yes I do, and that's why I recommended looking  
17 at a range of values in order to inform the decision at  
18 hand.

19 Q. Well in fact in lines 18 to 20 you recommend  
20 that the time and resources necessary to do these analyses  
21 is not appropriate at this time because it would not  
22 produce clear results, and what I want to know is, is the  
23 Department prepared to go ahead when -- with this project  
24 when the results are so uncertain as you so eloquently  
25 suggest?

Capitol Court Reporters, Inc. (800/802) 863-6067

1           A.        I think the results are uncertain within a  
2 range, and yes given the analysis before it we believe  
3 that it is likely that the project will have greenhouse  
4 gas benefits and I'll stop there.

5                   MR. SAUDEK:  And I'll stop here.  Thank  
6 you.

7                   CHAIRMAN VOLZ:  Just on that the reverse  
8 is also true, delaying the project would  
9 reduce those benefits?

10                  MR. POOR:  Yes.  That is true.

11                  CHAIRMAN VOLZ:  Thank you.

12                  BOARD MEMBER BURKE:  Well I have a  
13 question before we get any farther then with  
14 regard to that.  10 V.S.A. 578 says that we  
15 have goals of reducing greenhouse gases inside  
16 our own borders and also to try to help reduce  
17 those from outside our borders based on the  
18 energy we use here.  Isn't that what it  
19 basically says?

20                  MR. POOR:  That's correct.  Yes.

21                  BOARD MEMBER BURKE:  And I see that you  
22 have looked at a study as to what it will do  
23 burner tip inside Vermont.  What have you  
24 done, what did the Department do, if anything,  
25 with regard to the potential contribution to  
Capitol Court Reporters, Inc. (800/802) 863-6067

1           greenhouse gases from sources outside the  
2           state that are contributing -- that would be  
3           contributing to the energy used from this  
4           pipeline?

5                   MR. POOR:  So for inside the state I  
6           simply took the combustion efficiency of the  
7           fuels from the Environmental Protection Agency  
8           and those show that at the burner tip natural  
9           gas is cleaner.  So within the state that was  
10          the extent of the analysis there, but for  
11          outside the state the Department has  
12          manipulated the analyses that have been  
13          provided to date by Conservation Law  
14          Foundation and using data from Mr. Bluestein  
15          to provide a range of greenhouse gas estimates  
16          both at the burner tip and upstream  
17          collectively.

18                   BOARD MEMBER BURKE:  Thank you.

19                   CHAIRMAN VOLZ:  Mr. Palmer, do you have  
20          questions for this witness?

21                   MR. PALMER:  Just a couple.

22                   CHAIRMAN VOLZ:  That's fine.

23                                CROSS EXAMINATION

24          BY MR. PALMER:

25           Q.        In your prefiled testimony you quote 30 V.S.A.  
                  Capitol Court Reporters, Inc. (800/802) 863-6067

1 202(a)(1) in describing the broad energy goals of the  
2 state to meet its energy needs?

3 A. That's correct.

4 Q. And are you familiar with that quote or should  
5 I read it to you?

6 A. I have it here.

7 Q. And it references that, you know, in a manner  
8 that is adequate, reliable, secure, and sustainable --  
9 Trouble here this afternoon. Adequate, reliable, secure,  
10 and sustainable; that assures affordability and encourages  
11 the state's economic viability, the efficient use of  
12 energy resources and cost effective demandside management;  
13 and that is environmentally sound. The question is would  
14 you consider the process of fracking gas environmentally  
15 sound?

16 A. In terms of greenhouse gas emissions I've  
17 testified to what I think the likely overall benefits are.  
18 I don't have the expertise to speak to other aspects of  
19 hydraulic fracturing.

20 Q. So the 2011 CEP is quoted in your testimony.  
21 Eliminate Vermont's reliance on oil by mid century by  
22 moving towards enhanced efficiency measures, greater use  
23 of clean renewable sources of electricity, heating, and  
24 transportation and electric vehicle adoption while  
25 increasing our use of natural gas and biofuel blends where  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 non-renewable fuels remain necessary. Do you agree that  
2 natural gas is a fossil fuel?

3 A. I do.

4 Q. And do you agree that the world needs to  
5 reduce its reliance on fossil fuels in order to avert an  
6 ecological disaster relating to climate change?

7 A. I do.

8 Q. Now we're above 10 percent fossil fuel now,  
9 correct?

10 A. That's correct.

11 Q. Why should we increase our reliance on fossil  
12 fuel?

13 A. I don't think that this will increase our  
14 reliance on fossil fuel. I think this will in the short  
15 term replace the use of fossil fuel from propane and oil,  
16 and then it will also significantly reduce the use of  
17 fossil fuel in terms of the energy efficiency programs  
18 that Vermont Gas can provide to customers. It also --  
19 even just switching out the burners will -- even if there  
20 wasn't an efficiency program, switching burners from an  
21 oil burner to a natural gas burner for a boiler will  
22 increase the efficiency and just use less energy to start  
23 with.

24 So to conclude that thought I think that this  
25 project will reduce the use of fossil fuels.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 Q. Sound like a build out, but anyway you're  
2 doing quite a bit of referencing to the CEP. I assume the  
3 CEP does not address any concerns about water since  
4 Vermont has always had plenty of water and has never been  
5 drilling within the state. Do you think the CEP would  
6 address water concerns if there was shale gas beneath the  
7 Green Mountains?

8 A. I don't know the answer to that, although I  
9 think as part of the energy plan it would follow the  
10 statutory guidance that we would not use hydraulic  
11 fracturing in Vermont.

12 MR. PALMER: I think that takes care of  
13 me for today. Thank you.

14 CHAIRMAN VOLZ: Thank you.

15 MR. KREIS: Mr. Poor, I want to follow  
16 up -- I'm Don Kreis from the staff of the  
17 Board. I want to follow up on a couple of  
18 questions Ms. Levine asked you about whether  
19 the proposed pipeline is the least cost  
20 option, and I noticed that you replied to her  
21 questions by referring to Section 218(c) which  
22 is the least cost planning statute in Title  
23 30, is it not?

24 MR. POOR: That's correct.

25 MR. KREIS: Are you aware whether  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 Vermont Gas Systems has an approved least cost  
2 integrated resource plan under Section 218(c)  
3 at present?

4 MR. POOR: I believe they do not have an  
5 approved plan.

6 MR. KREIS: Is there one currently  
7 pending before the Board?

8 MR. POOR: There is.

9 MR. KREIS: Are you familiar with it?

10 MR. POOR: Yes, I am.

11 MR. KREIS: Do you have an opinion about  
12 whether Vermont Gas Systems is meeting its  
13 least cost planning obligations as they are  
14 set forth under Section 218(c) and as they are  
15 described in that report -- in that plan?

16 MR. POOR: I think they are meeting the  
17 obligations as they are described in that  
18 report. We -- there is also a pending MOU  
19 that would require additional analysis  
20 consistent with that IRP. The MOU came after  
21 the filing of the IRP, but -- I'm sorry, after  
22 the filing of this project, and it would also  
23 require the analysis of compressed natural gas  
24 and liquefied natural gas as alternative  
25 options. I think that's one of the reasons

Capitol Court Reporters, Inc. (800/802) 863-6067

1           that we included those as alternatives so that  
2           the Board would have a full -- be able to  
3           consider those alternatives in the context of  
4           an economic analysis of this project.

5           MR. KREIS: So just to be clear the  
6           Memorandum of Understanding you just referred  
7           to is a Memorandum of Understanding between  
8           Vermont Gas Systems and the Department and  
9           also the Vermont Energy Investment Corporation  
10          with respect to the pending integrated  
11          resource plan?

12          MR. POOR: That's correct.

13          MR. KREIS: Does the integrated resource  
14          plan talk about the Addison natural gas  
15          project?

16          MR. POOR: It does.

17          MR. KREIS: And are you satisfied that  
18          it takes the effect of that project into  
19          account with respect to the way in which  
20          Vermont Gas Systems intends to acquire natural  
21          gas resources?

22          MR. POOR: At the moment I cannot recall  
23          if the forecasted load includes -- includes  
24          the Vergennes and Middlebury load. I believe  
25          it does, but the plan itself is a decision

1 making framework based on the company's  
2 competitive position and I do believe that  
3 they applied that framework. They were  
4 consistent with that framework in this  
5 petition.

6 MR. KREIS: And I just want to make sure  
7 I understood the answer that you gave to one  
8 of Ms. Levine's questions correctly. You  
9 think that a natural gas company is in a  
10 somewhat different position than an electric  
11 company is with respect to its least cost  
12 planning options, do you not?

13 MR. POOR: No. That's not true.

14 MR. KREIS: Well you said -- you  
15 referred to constraints, and I thought I  
16 understood your answer to be suggesting that  
17 when an electric company faces a particular  
18 gap in its ability to provide service it has a  
19 variety of different fuels that it can use,  
20 including I suppose the acquisition of energy  
21 efficiency resources in order to meet that  
22 need, whereas, a natural gas company isn't in  
23 a position to switch fuels obviously.

24 MR. POOR: Well I actually was referring  
25 to natural gas with that comment in terms of a  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 capacity constraint that Vermont Gas would  
2 have the option of energy efficiency as you  
3 mentioned, propane air storage, liquefied  
4 natural gas, or compressed natural gas to meet  
5 those capacity needs. So I was drawing the  
6 distinction between an expansion project as  
7 opposed to a project to meet the needs of the  
8 current system.

9 MR. KREIS: Thank you. You just gave an  
10 excellent answer to my very poorly posed  
11 question. I think that's all I had.

12 CHAIRMAN VOLZ: Thanks.

13 MR. YOUNG: Good afternoon, Mr. Poor.

14 MR. POOR: Good afternoon.

15 MR. YOUNG: Let's start with energy  
16 efficiency. In your testimony you're  
17 recommending that Vermont Gas be required to  
18 conduct an efficiency potential study; is that  
19 correct?

20 MR. POOR: I think I recommended, if I  
21 recall correctly, I don't have the page in  
22 front of me, but that it was in coordination  
23 with the Department. We usually like to be  
24 the lead on those studies so that they are  
25 fully independent.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 MR. YOUNG: And I think you're looking  
2 at page 7 of your direct testimony for that I  
3 believe.

4 MR. POOR: Yes. On line 26 I said the  
5 appointed EEU and the Department, and I guess  
6 I would further recommend here that the  
7 Department be the lead of that study.

8 MR. YOUNG: Is this study being done  
9 right now to your knowledge?

10 MR. POOR: It is not.

11 MR. YOUNG: Are you recommending that  
12 that be a condition of approval in this  
13 particular proceeding or is that being  
14 addressed partially in the other docket you  
15 referred to, I believe it was Docket 7676?

16 MR. POOR: It is Docket 7676. I believe  
17 it could be addressed in that docket. We  
18 strongly believe that that is necessary in  
19 order to inform the budget setting process for  
20 Vermont Gas in energy efficiency proceedings.  
21 It will be difficult to figure out what all  
22 reasonably available cost effective efficiency  
23 is if we don't know how much there is to start  
24 with.

25 MR. YOUNG: One of the things in your  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 testimony is a recommendation of more robust  
2 energy efficiency programs, essentially I'm  
3 going to characterize your testimony, and  
4 correct me if I'm wrong, but essentially to  
5 take advantage of the fact that you're moving  
6 into a new area that may not have had the  
7 ability of these services; is that correct?

8 MR. POOR: That's correct.

9 MR. YOUNG: And to achieve that and I  
10 assume a lot of that is more focused on  
11 weatherization of stock that really hasn't had  
12 these types of programs available to them?

13 MR. POOR: That's correct, and the  
14 weatherization and the equipment itself. The  
15 recommendation was really pointed at really  
16 trying not to lose the opportunity of Vermont  
17 Gas being in the home offering a new service  
18 and having that contact and experience and  
19 hopefully a good experience with the customer  
20 and getting more energy efficiency savings out  
21 of that.

22 MR. YOUNG: Would it be reasonable to  
23 assume that if you don't have fairly robust  
24 programs right at the outset when customers  
25 are considering conversions that you're

Capitol Court Reporters, Inc. (800/802) 863-6067

1 perhaps raising a fair bit of lost  
2 opportunities?

3 MR. POOR: Yes.

4 MR. YOUNG: And is that what you're  
5 getting at in terms of the nature of your  
6 recommendation is try to ramp up things at the  
7 time of conversion?

8 MR. POOR: That's correct. Ensure we're  
9 not losing any opportunities.

10 MR. YOUNG: Now I understand there's a  
11 second docket going on. Is there any  
12 particular recommendation -- I mean I realize  
13 it's in your testimony here. Is there any  
14 particular recommendation for conditions or  
15 requirements that the Department thinks should  
16 be imposed as a condition of approving Vermont  
17 Gas's proposal?

18 MR. POOR: No. We don't have any CPG  
19 requirements, recommendations at this time.

20 MR. YOUNG: Okay. So this is just  
21 something we should be aware of and watch out  
22 for it and deal with in the other docket?

23 MR. POOR: Yes.

24 MR. YOUNG: Okay.

25 MS. TIERNEY: Mr. Young, may I follow up  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 on that for just a second? Mr. Poor, I  
2 understand that part of the reason why the  
3 Department is recommending approval of this  
4 project is because it seeks to realize the  
5 energy efficiency capabilities that Vermont  
6 Gas has to bring to bear through the sale of  
7 natural gas and its cultivation of a customer  
8 base that could implement energy efficiency  
9 measures.

10 MR. POOR: That's correct, but I think  
11 if we imposed a CPG requirement, a specific  
12 requirement for -- even for free audits, as I  
13 recommended in my testimony, without  
14 understanding the energy efficiency potential  
15 and the rate impacts and all the other  
16 considerations the Board has to weigh in  
17 setting budgets and targets, we could actually  
18 create barriers to acquiring the most energy  
19 efficiency for the dollar expended. So  
20 presumably consistent with the electric energy  
21 efficiency budget that budget has been  
22 historically limited in part by rate impacts,  
23 short term rate impacts; in the long term  
24 energy efficiency lowers rates, but there is  
25 an initial rate impact, and so if the budgets  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 are limited and then there needs to be  
2 consideration on how to best direct those  
3 limited funds, I think it's very likely that  
4 one of those places is to acquiring all the  
5 efficiency you can at the time of conversion  
6 for new customers in Addison County, but prior  
7 to doing a potential study and the full  
8 analysis, much more detailed analysis that  
9 will happen in the demand resource proceeding  
10 part of Docket 7676 I'm hesitant to offer  
11 requirements, CPG requirements, because it has  
12 the potential to create some lost opportunity  
13 there as well.

14 MS. TIERNEY: Mr. Poor, you'll have to  
15 forgive me. It's getting late and I don't  
16 want to take an inordinate amount of time on  
17 this, but I am now confused.

18 MR. POOR: I'm sorry.

19 MS. TIERNEY: The Chairman advises he's  
20 clear so I'm going to abandon the line of  
21 questioning. I'm good. If you understand,  
22 I'm good.

23 CHAIRMAN VOLZ: Yes, I do.

24 MR. YOUNG: How long would a potential  
25 study take in your estimation?

Capitol Court Reporters, Inc. (800/802) 863-6067

1 MR. POOR: I'm trying to remember how  
2 long the last one took that we did for the  
3 electric sector. The last one took about four  
4 months on the electric sector.

5 MR. YOUNG: What I was getting at  
6 there's enough time to do a potential study  
7 and actually have serious debate about program  
8 implementation, budgets, between now and next  
9 November when Vermont Gas is proposing to  
10 offer service?

11 MR. POOR: Yes, that's correct, and even  
12 2015 when residential service might start.

13 MR. YOUNG: You mentioned rate impacts  
14 as one of the concerns associated with energy  
15 efficiency and that gets into another area I  
16 wanted to discuss with you, and to the extent  
17 you're able to, and I'm doing this because  
18 it's outside the scope -- it's outside exactly  
19 what you just testified, but I understand  
20 you're sort of the general policy witness for  
21 the Department, correct?

22 MR. POOR: Right.

23 MR. YOUNG: Here's the question. Well  
24 actually let me start by moving to your actual  
25 testimony.

Capitol Court Reporters, Inc. (800/802) 863-6067

1                   On page 5 of your testimony you discuss  
2                   some of the specific recommendations of the  
3                   Comprehensive Energy Plan, correct?

4                   MR. POOR: That's correct.

5                   MR. YOUNG: And on line 6 you observe  
6                   that the plan supports economically viable  
7                   expansion of natural gas -- of the natural gas  
8                   service territory.

9                   MR. POOR: That's correct.

10                  MR. YOUNG: What does economically  
11                  viable mean to the Department?

12                  MR. POOR: Well you were correct in  
13                  identifying this isn't my main area of  
14                  expertise at the Department, but I believe  
15                  that it means -- well let me answer that by  
16                  describing how we determine that in this  
17                  proceeding is we conducted an economic  
18                  analysis of the net benefits to the state, and  
19                  so on that score I believe that the analysis  
20                  shows that the project is very economically  
21                  viable for the state as a whole.

22                  There is another context for  
23                  economically viable in terms of rates and  
24                  Vermont Gas ratepayers. I believe that -- and  
25                  again I'm getting a little outside of my area

Capitol Court Reporters, Inc. (800/802) 863-6067

1 of expertise, but that the project is  
2 economically viable for ratepayers as well.

3 MR. YOUNG: And when you're saying this  
4 your conclusion is that it is economically  
5 viable for the state over what time horizon  
6 are you conducting that analysis?

7 MR. POOR: The analysis that the  
8 Department conducted was over a 20-year time  
9 horizon.

10 MR. YOUNG: And a significant part of  
11 that was -- did a significant part of that  
12 include valuation of the greenhouse gas  
13 benefits?

14 MR. POOR: Well not -- I wouldn't  
15 characterize it as significant. We evaluated  
16 the economic -- the net benefit to the state  
17 on four scores or four alternatives. It was  
18 the project as proposed, no project, and  
19 compressed natural gas for industrial  
20 customers, and liquefied natural gas, and then  
21 also the project plus energy efficiency and  
22 the project without greenhouse gas emissions  
23 provided a large net benefit to the state.

24 In my testimony I qualitatively  
25 addressed the greenhouse gas emissions. I did  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 provide a dollar value for the impact of those  
2 on Table 2 of my rebuttal testimony, and  
3 compared to the net benefits that the economic  
4 analysis showed the greenhouse gas benefits  
5 were positive and additive to that, but they  
6 were smaller.

7 MR. YOUNG: Did that analysis have any  
8 assumptions concerning sale of natural gas to  
9 International Paper?

10 MR. POOR: No. It did not.

11 MR. YOUNG: Let me ask you to take a  
12 quick look at exhibit Board 1 and in  
13 particular attachment VGS 1-1.1 to that, and  
14 if I look on the second page of that exhibit,  
15 and correct me if I'm wrong, I believe this is  
16 Vermont Gas's rate impact and financial  
17 analysis for the project assuming no sales to  
18 International Paper; is that correct?

19 MR. POOR: That's my understanding.

20 MR. YOUNG: If I look at year 20 and I  
21 look down at the financial analysis, it looks  
22 like the incremental revenues are just  
23 starting to cover the cost of the project  
24 after 20 years.

25 MR. POOR: So are you looking at the net  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 income line?

2 MR. YOUNG: Return on equity, but it  
3 should be the same whether you look at net  
4 income or return on equity. Is that a fair  
5 assessment?

6 MR. POOR: Yes.

7 MR. YOUNG: And I guess what I'm  
8 wondering about if after 20 years you're still  
9 basically starting to recover your costs with  
10 incremental revenues, what you looked at  
11 differently that -- other than sort of the  
12 straight financial analysis, what caused the  
13 Department to conclude this was a net loss?

14 MR. POOR: Well in our role as -- at the  
15 Department of Public Service we wear a lot of  
16 hats and the -- really the economic analysis  
17 to the net benefit of the state really played  
18 a large role in that. It's been state energy  
19 policy to expand the natural gas  
20 infrastructure for quite sometime. There are  
21 a number of different benefits that aren't  
22 quantified here that come from the natural gas  
23 infrastructure that on balance in weighing the  
24 net benefits to the state, the economic  
25 analysis that you see here, and those other

Capitol Court Reporters, Inc. (800/802) 863-6067

1 benefits that the Department feels is good for  
2 the state.

3 MR. YOUNG: And by the other benefits  
4 what you're really talking about is the  
5 savings that the new customers are going to  
6 obtain by shifting from propane and fuel oil  
7 on to natural gas?

8 MR. POOR: It's that. It's the  
9 greenhouse gas benefits. It's the savings  
10 that the customers will get, and then the  
11 indirect benefits of them. Those customers  
12 spending that money in the economy. It's  
13 also, to the extent that the projects serve  
14 low income customers, it provides a low income  
15 discount, and it provides some hedge against  
16 price volatility as well. Some hedge.

17 MR. YOUNG: Am I correct that in general  
18 the Department in many areas has had a policy  
19 of growth pays for growth? Things like  
20 contribution in aid of construction?

21 MR. POOR: I don't have that expertise  
22 to answer that. I'm sorry.

23 MR. YOUNG: Okay. Let me go after it a  
24 different way which is, is it the Department's  
25 view that in looking at the potential for line  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 extensions the type of analysis you presented  
2 here is the right analysis that ought to be  
3 employed? In other words, not looking so much  
4 at the effect on existing ratepayers, but  
5 looking at the overall cost benefit for the  
6 state?

7 MR. POOR: Well no. I actually think  
8 it's important to look at both, and I think  
9 there's a -- I think I understand your first  
10 question a little more in terms of a cost  
11 causer pays type of doctrine that is a general  
12 principle, but I think it's important to look  
13 at projects, and we've moved in this direction  
14 recently, on both a societal basis and a  
15 ratepayer basis and to look at the results of  
16 both of those analyses and make a decision.

17 MR. YOUNG: Okay. And I think you just  
18 answered, but let me just make sure I  
19 understand. So from your view it's  
20 appropriate to move away from a sort of rigid  
21 cost causation type principle to take into  
22 account these other benefits and you mentioned  
23 greenhouse gas, you mentioned the savings to  
24 individual customers, newly served customers.

25 Is that a fair capture of what your position  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 is?

2 MR. POOR: I think so and I guess --  
3 yes.

4 MR. YOUNG: And is that the way the  
5 Department recommends that the Board and  
6 actually utilities look at projects going  
7 forward or is that just applicable largely to  
8 the type of expansion we're looking at here?

9 MR. POOR: Well I do think it's  
10 important to look at projects on -- from both  
11 a societal and a rate perspective. In all of  
12 the recent integrated resource plans that have  
13 been filed by utilities we have required them  
14 to include a societal analysis on their next  
15 IRP, and the utilities we're working with now  
16 that's going to be included in their current  
17 one. So I do think we should look at both.

18 MR. YOUNG: Thank you. Let me move you  
19 to your rebuttal testimony and this is really  
20 going to focus on the correction that was made  
21 on page 8 of your rebuttal table, and my  
22 question is you have here a cumulative impact  
23 and the change -- correction you made was  
24 fairly substantial. In fact, almost a factor  
25 of 10.

Capitol Court Reporters, Inc. (800/802) 863-6067

1 MR. POOR: Yes.

2 MR. YOUNG: As I understand your  
3 testimony that doesn't really flow through to  
4 other parts of the analysis such as Table 2,  
5 the economic impact of change in emissions?

6 MR. POOR: That's correct. The -- in  
7 the spreadsheet the Table 2, the economic  
8 impact of the change in emissions was the  
9 cells were linked to the annual emission  
10 savings, whereas, the cumulative was just an  
11 illustrative -- were just illustrative cells  
12 and I summed to the cumulative totals.

13 MR. YOUNG: I wasn't trying to beat you  
14 up over it.

15 MR. POOR: I beat myself enough over it  
16 I think.

17 MR. YOUNG: I wanted to make sure I  
18 understood essentially these were two  
19 different sets of sums that went in different  
20 directions?

21 MR. POOR: Yes. That's correct.

22 MR. YOUNG: Okay. One minor point. I  
23 think you may have answered this in response  
24 to Mr. Burke.

25 Your direct testimony at page 10 -- go  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 back to the other. I'm trying to confuse you.  
2 Unfortunately I confused myself which is why  
3 that happened. Your question at line 6 about  
4 will increased natural gas usage result --  
5 reduce emissions of greenhouse gas emissions  
6 outside of the boundaries of the state. I'm  
7 curious why are we looking at that, and I'm  
8 trying to figure out how increased natural gas  
9 usage in the state is going to have any impact  
10 on out of state and why the question is there  
11 at all. Am I missing something?

12 MR. POOR: Well as Mr. Burke pointed  
13 out, the 10 V.S.A. 578, I think, the  
14 greenhouse gas emission statute addresses the  
15 goal is to reduce emissions for both within  
16 and without of the state, and I think as has  
17 been made clear by the record here the use of  
18 natural gas and increased use of natural gas  
19 would potentially -- well has an effect on  
20 greenhouse gas emissions outside of the state.

21 I do still think it's unclear whether  
22 the project would reduce greenhouse gas  
23 emissions. With the efficiency benefits and  
24 depending on what is replaced, just a simple  
25 increase in gas usage all else being equal

Capitol Court Reporters, Inc. (800/802) 863-6067

1           that that would increase emissions, but the  
2           project is likely to not.

3           MR. YOUNG: Okay. Thank you. That's  
4           all questions I have.

5           BOARD MEMBER BURKE: Mr. Poor, just  
6           because we have some people that are pro se  
7           here and so they understand, the Energy  
8           Efficiency Utility most everybody kicks into  
9           Efficiency Vermont, but actually that's the  
10          utility that is designated and assigned for  
11          the purposes of creating efficiency primarily  
12          with electrical customers; is that correct?

13          MR. POOR: That's correct.

14          BOARD MEMBER BURKE: And in fact, the  
15          efficiency utility for gas customers is in  
16          fact and presumably will continue to be in the  
17          foreseeable future Vermont Gas itself handling  
18          their own efficiency measures, correct?

19          MR. POOR: That's correct. Similar to  
20          how Burlington Electric provides its services  
21          in its service territory.

22          BOARD MEMBER BURKE: And a question that  
23          came from a comment in Hinesburg which seems  
24          like a long time ago now, but that I struggle  
25          with myself so I'm going to ask you.

Capitol Court Reporters, Inc. (800/802) 863-6067

1           If in fact a fossil fuel is put in place  
2           at lower cost, will that have a negative  
3           impact on the desire to reach out for  
4           efficiency measures because it will be a  
5           longer recapture and less cost out of pocket  
6           as it stands anyway. Is there a connection  
7           there that's actually a negative connection?

8           MR. POOR: I do think that there is an  
9           effect, a price effect with regard to  
10          consumption in terms of if the -- so I do  
11          think there's a potential negative effect and  
12          it's hard to say how big it is, and I think on  
13          balance customers would have very limited  
14          energy efficiency programs available to them,  
15          and now having Vermont Gas deliver efficiency  
16          programs there will be more energy efficiency  
17          implemented.

18          BOARD MEMBER BURKE: So that your  
19          position and presumably the Department's is  
20          that although there may be some negative  
21          impact on balance it's still a positive thing?

22          MR. POOR: That's correct.

23          BOARD MEMBER BURKE: Thank you.

24          MR. YOUNG: Do I take it your assumption  
25          is that your answer might be different if we  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 had a very robust all fuels efficiency  
2 program, and given that we don't right now the  
3 effect you described is likely to occur?

4 MR. POOR: Yes, except to the extent  
5 that the equipment itself burns with less  
6 greenhouse gas emissions.

7 MR. YOUNG: Okay.

8 CHAIRMAN VOLZ: Any followup to our  
9 questions? Ms. Levine.

10 MS. LEVINE: I have a couple.

11 BY MS. LEVINE:

12 Q. I'm trying to find who asked you the question  
13 in my notes. I'm sorry. Mr. Young asked you some  
14 questions concerning rate impacts on the effect of -- and  
15 the potential study, and I believe you responded that you  
16 specifically asked about what time horizon you evaluated,  
17 and I believe you responded you looked at a 20-year time  
18 horizon. Do you recall that?

19 A. The economic analysis was over a 20-year  
20 horizon. Yes.

21 Q. Okay. And over that time horizon the  
22 greenhouse gas emission benefits were not a significant  
23 economic benefit; is that correct?

24 A. Significant is relative. Looking at the -- I  
25 glanced, when I answered that, at the first row of my  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 Table 2 at the 2 million and 4 million, but really the 13  
2 million is what we estimated the greenhouse gas benefits  
3 of the project to be, and thank you for asking me that  
4 because I would characterize that as significant.

5 Q. And so those are estimated benefits over a  
6 20-year time horizon and only considering the gas  
7 replacing fossil fuels?

8 A. That's correct.

9 Q. Or is that replacing other fossil fuels? The  
10 gas itself is a fossil fuel?

11 A. Replacing fuel oil and propane and not  
12 including any benefits associated from energy efficiency.

13 Q. And in the four alternatives you evaluated;  
14 the project as proposed, no project, compressed natural  
15 gas, and liquefied natural gas; is that correct? I got  
16 four.

17 A. As proposed with efficiency CNG and LNG.

18 Q. CNG and LNG are one --

19 A. Those are separate.

20 Q. Okay. None of those alternatives included an  
21 evaluation compared to renewables; is that correct?

22 A. That is correct.

23 CHAIRMAN VOLZ: Was there a reason why  
24 you didn't include renewables?

25 MR. POOR: Well we felt that the project  
Capitol Court Reporters, Inc. (800/802) 863-6067

1           should be compared to things that Vermont Gas  
2           Systems might be able to -- might invest in  
3           terms of even liquefied natural gas and  
4           compressed natural gas. In an expansion  
5           context that might have been a stretch even,  
6           but as I stated before they have the  
7           requirement to evaluate all alternatives in a  
8           capacity context, and so presumably VGS would  
9           have the resource capacity to actually  
10          implement those alternatives as alternatives  
11          to expansion. It's not clear that VGS would  
12          have the resources or capacity or the state  
13          would have the authority to require VGS to  
14          actually make an investment in renewables.

15                   CHAIRMAN VOLZ: Thank you.

16 BY MS. LEVINE:

17           Q.       So because Vermont Gas sells gas they only  
18          look at gas?

19           A.       In the expansion context.

20                   MS. LEVINE: Okay. That's all.

21                   CHAIRMAN VOLZ: Anybody else have  
22          followup to our questions? Mr. Palmer.

23                   MR. PALMER: I had a quick question.

24                   CHAIRMAN VOLZ: Sure.

25 BY MR. PALMER:

Capitol Court Reporters, Inc. (800/802) 863-6067

1 Q. One of the things people who support this  
2 pipeline say it will create a better environment for  
3 business. So if you create a better environment for  
4 business to have more business and more people, wouldn't  
5 that in itself create more greenhouse gas emissions?

6 A. That's -- unfortunately I think the answer is  
7 that it depends and, you know, if a business were to  
8 locate in Addison County, now I think it is probably  
9 fairly likely that, especially say a manufacturing  
10 facility was to locate in Addison County, I think it's  
11 likely that they would use fuel oil or propane to fuel its  
12 operations, and so in that sense natural gas being  
13 available would in fact reduce greenhouse gas emissions.

14 CHAIRMAN VOLZ: All right. I think  
15 we're done. Is there redirect?

16 MS. PORTER: One second.

17 CHAIRMAN VOLZ: Sure.

18 MS. PORTER: No thank you.

19 CHAIRMAN VOLZ: Thank you. Mr. Poor,  
20 you're excused. Thank you very much.

21 MR. POOR: Thank you.

22 BOARD MEMBER BURKE: I just think that  
23 we all have to kind of keep in mind that as  
24 far as followup questions they have got to be  
25 follow up to our questions. We should all

Capitol Court Reporters, Inc. (800/802) 863-6067

1 keep that in mind and I know people are  
2 trying, but I think that it's helpful. We  
3 didn't cut you off, Mr. Palmer, but I'm not  
4 sure there were any business questions that  
5 came from our questions. So remember that  
6 they have got to follow from what we ask.

7 CHAIRMAN VOLZ: Okay. As far as where  
8 we go from here as far as the hearings go I  
9 think we're pretty much done for today unless  
10 that's a problem.

11 MS. HAYDEN: There's no problem. You  
12 had asked if Mr. Teixeira could clarify the  
13 record regarding --

14 CHAIRMAN VOLZ: But then we had a  
15 followup conversation about having Mr. Heintz  
16 come back tomorrow.

17 MS. HAYDEN: Okay. Two different  
18 matters so we could still put Mr. Teixeira on  
19 tomorrow.

20 CHAIRMAN VOLZ: We can go off the record  
21 for now.

22 (Off-the-record discussion.)

23 CHAIRMAN VOLZ: Back on the record.

24 MS. LEVINE: My objection refers to  
25 either calling Mr. Teixeira or Mr. Heintz.  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 Mr. Palmer testified specifically to a  
2 document that's already in evidence. I think  
3 it's fair to identify what that document is,  
4 but it seems like this is now the Petitioner  
5 coming back and rebutting testimony that Mr.  
6 Palmer provided.

7 MS. HAYDEN: We're not rebutting. This  
8 is to support that he was accurate. This is  
9 to agree.

10 CHAIRMAN VOLZ: The question we had, Mr.  
11 Palmer talked about removing soil from a 75  
12 width swatch -- 75-foot swatch. We had a  
13 question whether he had that correct or not.

14 MS. HAYDEN: And I made an incorrect  
15 statement in the record.

16 CHAIRMAN VOLZ: So we would like to have  
17 that clarified, and apparently Mr. Heintz will  
18 be able to clarify exactly what they are doing  
19 with the soil.

20 MS. HAYDEN: 75 feet is being removed  
21 and so we're not rebutting it. We're trying  
22 to clean it up because the Board directed a  
23 question to me and I never should have  
24 answered because I'm not the witness.

25 CHAIRMAN VOLZ: This is something the  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 Board wants for its own. We asked for this.  
2 It's not the company coming forward and  
3 offering rebuttal. It's something we would  
4 like to clarify and there's something else we  
5 would like clarified as well which is from  
6 VELCO.

7 Right now as I understand the testimony  
8 Mr. Lind said that VELCO didn't want the  
9 pipeline going down the middle of their  
10 corridor on that dog leg on the exhibit EMS 1,  
11 and we would like to have a better  
12 understanding about why because right now  
13 VELCO would prefer not to have it there  
14 because it might interfere with future  
15 expansion, but we don't know if there's other  
16 future expansion likely, and we have other  
17 people here who are going to have to bear this  
18 pipeline because VELCO doesn't want it down  
19 the middle of their right-of-way. We need to  
20 understand that a lot better. I don't know if  
21 Mr. Lind is the right witness. He said he  
22 wasn't the transmission planning engineer.  
23 Maybe we need somebody who can explain exactly  
24 what the extension problems might be if the  
25 pipeline is in the middle of VELCO's  
Capitol Court Reporters, Inc. (800/802) 863-6067

1 right-of-way.

2 MR. SCIARROTTA: Are you asking for a  
3 witness tomorrow? We'll make sure we have  
4 somebody here who can answer that question to  
5 the best of our ability.

6 CHAIRMAN VOLZ: And Mr. Heintz will talk  
7 about the -- be able to talk about the  
8 pipeline being in that right-of-way versus  
9 other locations?

10 MS. HAYDEN: Yes.

11 CHAIRMAN VOLZ: Okay. Great. So we'll  
12 do the 8:30 premeeting and then 9:30 we'll  
13 start. Right now we've got Bluestein,  
14 Merrell, Stanton, and Erickson, plus the  
15 Heintz and VELCO's witness, and we'll try to  
16 fit those in.

17 Anything else that we need to talk  
18 about?

19 MR. SCIARROTTA: In that order?

20 CHAIRMAN VOLZ: Not necessarily. We can  
21 talk about it tomorrow morning. Do you have  
22 any idea who it would be and when they would  
23 be available?

24 MR. SCIARROTTA: Well I have some ideas,  
25 but I don't know if they are available.

Capitol Court Reporters, Inc. (800/802) 863-6067

1           CHAIRMAN VOLZ: We'll have to sort that  
2 out tomorrow morning then I guess unless you  
3 can find out today, and if there's a problem  
4 let the Clerk know at the Board that there's a  
5 problem, but actually it's too late for that  
6 anyway. Never mind. We'll talk about it  
7 tomorrow morning. Thank you.

8           So I think we're done for the day unless  
9 there's something else. Yes, Mr. Saudek.

10          MR. SAUDEK: I think I'm not going to  
11 have anything for Mr. Merrell. I take it that  
12 the VGS won't.

13          CHAIRMAN VOLZ: You're the only one  
14 signed up. So if you don't, then it's  
15 possible we don't need Mr. Merrell tomorrow.  
16 We don't either so that would mean you  
17 wouldn't need him if that's helpful. Thank  
18 you, Mr. Saudek, for letting us know that  
19 because that helps shorten things up.

20          So we're going to adjourn now and then  
21 stay for a continued discussion with the  
22 staff. We're off the record now. Thank you.

23          (Whereupon, the proceeding was  
24 adjourned at 4:50 p.m.)

## C E R T I F I C A T E

1  
2  
3  
4  
5 I, JoAnn Q. Carson, do hereby certify that  
6 I recorded by stenographic means the technical hearing re:  
7 Docket Number 7970 at the Capital Plaza, Montpelier Room,  
8 State Street, Montpelier, Vermont, on September 19, 2013,  
9 beginning at 1:30 p.m.

10 I further certify that the foregoing  
11 testimony was taken by me stenographically and thereafter  
12 reduced to typewriting, and the foregoing 136 pages are a  
13 transcript of the stenograph notes taken by me of the  
14 evidence and the proceedings, to the best of my ability.

15 I further certify that I am not related to  
16 any of the parties thereto or their Counsel, and I am in  
17 no way interested in the outcome of said cause.

18 Dated at Burlington, Vermont, this 22nd day  
19 of September, 2013.

20 \_\_\_\_\_  
21  
22 JoAnn Q. Carson

23 Registered Merit Reporter

24 Certified Real Time Reporter

25 Capitol Court Reporters, Inc. (800/802) 863-6067